

CONFIDENTIAL.

(9940.)

PART XXVI.

FURTHER CORRESPONDENCE

RESPECTING THE

AFFAIRS OF PERSIA.

April to June 1911.

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Printed for the use of the Foreign Office. August 1911.

CONFIDENTIAL.

Further Correspondence respecting the Affairs of Persia.

PART XXVI.

[11880]

No. 1.

India Office to Foreign Office.—(Received April 1.)

Sir,

India Office, March 31, 1911.

WITH reference to my letter of the 9th March, 1911, I am directed by the Secretary of State for India to enclose copy of a telegram from the Government of India stating that the total cost of the pay and allowances for the soldier-surveyor accompanying Lieutenant Wilson on the Dizful-Khoremad survey is estimated at 650 rupees (43l. 6s. 8d.) for the period of the survey, instead of the sum of about 33l. 6s. 8d. previously mentioned.

I am therefore to request that the Lords Commissioners of His Majesty's Treasury may be moved to accept a moiety (21l. 13s. 4d.) of this sum as a charge against British revenues.

I am, &c.
R. RITCHIE.

Enclosure in No. 1.

Government of India to Viscount Morley.

(Telegraphic.) P.

March 24, 1911.

SURVEY between Khoremad and Dizful. See your telegram dated the 8th March, 1911. 650 rupees is estimated total cost, for period of survey, of pay and allowances of soldier-surveyor accompanying Wilson.

[11972]

No. 2.

Messrs. Ellinger and Co. to Foreign Office.—(Received April 1.)

Sir,

28, Oxford Street, Manchester, March 31, 1911.

WE beg to acknowledge receipt of your letter of the 7th March, relative to the question of the deposits of red oxide on the Island of Hormuz.

We must frankly express our extreme surprise at the entirely new and utterly unexpected attitude which is taken up towards us in your letter, and which we must respectfully describe as being a complete reversal of everything that has been promised and said to us in previous communications.

The one thing which has been impressed upon us by His Majesty's Government above all others as compelling temporary inaction on their part, and preventing any steps being taken to redress the injury which has been inflicted upon us as British subjects by the forcible dispossession of the Muin's concession and the tearing up of our contract with him by the Persian Government, has been this—that His Majesty's Government felt it necessary, in the first instance, to afford the Persian Government the opportunity of showing by conclusive evidence that they were justified in their declaration of the lapse in 1906 of the concession on the faith of which our contract was made.

This evidence His Majesty's Government have, through their Minister, been pressing the Persian Government to produce for many months past, while leaving us in the meantime to suffer all the consequences of the violation of our contract rights, and now at last it is apparent on the face of your letter that the Persian Government are utterly unable to produce any evidence whatever, and have completely abandoned any attempt to substantiate the story told to Mr. Marling by Vekil-ul-Roya, or the charges

[1798]

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made by that gentleman of the production by the Muin of documents bearing forged signatures.

We are surprised to see that Sir George Barclay speaks of the Persian Government producing proof of their contention that the lease was revocable at will, as this is the first intimation we have had that the Persian Government had given any reason for their action other than that the concession lapsed in 1906, and had not been renewed, the firman of 1904 doing no more than alter some and confirm others of the provisions of the original firman, but without extending it.

Sir George Barclay also seems to go so far as to suggest that the Persian Government might prove their case by an assertion that their action was taken in virtue of their sovereign rights and in conformity with religious law and with custom.

It is impossible to reconcile any such suggestion with the fulfilment of the assurances of protection and security that have been given throughout to us and our friends, and we respectfully point out that it was for the express purpose of being protected against any such act of arbitrary confiscation that we sought and obtained these assurances of protection from His Majesty's Government on which we have implicitly relied.

Matters having reached this point we should have confidently expected, and as we venture to say, have been thoroughly justified from your previous communications to us in believing that upon the failure of the Persian Government to prove their case His Majesty's Government would have immediately insisted upon the cessation of further shipments of oxide from Hormuz to others than Messrs. Andrew Weir and Co., and have come to our assistance in every possible way and seen that justice was done to us. But your letter while admitting that the Persian Government have failed to prove their contention that the concession lapsed in 1906 (upon which ground, and upon which ground only His Majesty's Government have based their repeated refusals to prevent the violation of our rights and those of Messrs. Andrew Weir and Co.) by the shipment of oxide by any other than the Muin or Messrs. Andrew Weir and Co.) now seeks to put upon the Muin and inferentially upon us the task of proving a negative to His Majesty's Government, who have themselves assured us of the perpetuity of the concession, by suggesting that the Muin is unable to offer evidence in support of his contention, and this suggestion is set up apparently as a reason for allowing matters to be brought once more to a deadlock and depriving us of the support of His Majesty's Government, on which we have been relying for years.

We entirely refuse to believe that His Majesty's Government can regard this seriously as an answer to our just grievance as British subjects, who have throughout been actively encouraged to obtain a footing in the Island of Hormuz, and as a ground for still doing nothing on our behalf, while at the same time apparently contemplating with equanimity the spectacle of the Persian Government compensating their own subject for the forcible disturbance of the Muin's concession and our contract.

It is unnecessary to recapitulate facts which have been repeatedly submitted by us as bearing on the question of the validity of the Muin's concession, and we limit ourselves to drawing your attention again to the Secretary of State's letter of the 18th January, 1908, which distinctly establishes the fact that in the opinion of His Majesty's Government the Muin held a concession in perpetuity, and that the firman and rescript confirming it had actually been seen at the British Legation. Not only was this assurance given to us for our own satisfaction, but it was also given for the express purpose of our encouraging other British subjects to take a commercial interest in the concession, and we were to be at liberty to show it to approved third persons. We also specially invite your re-perusal of paragraph (17) and (18) of the memorandum of our solicitors, dated the 5th January last, in which are carefully recapitulated the other facts and views submitted by us upon the subject of the vitality of the concession, against which there appears to be nothing to set except a verbal statement by Vekil-ul-Roaya, which cannot be substantiated, and of which as far as we can gather Mr. Marling never seems to have been able to obtain any official confirmation.

We venture to say that for amply sufficient reasons which have hitherto, as we have been led to suppose, been fully regarded as such by His Majesty's Government, it has rested all this time with the Persian Government alone to show by reasonable evidence that they were justified in treating the Muin's concession to our very great injury as having lapsed by effluxion of time before the contract with Messrs. Andrew Weir and Co. and ourselves was entered into, and that they have not only conspicuously failed after great delay to adduce any evidence at all, but have openly admitted by their action that they had unjustly violated the Muin's rights, and we confidently ask you to accept that view of the whole matter in common justice to us and our friends, Messrs. Andrew Weir and Co.

With the active encouragement of His Majesty's Government, who admittedly had

good reasons for wishing the commercial control of the Island of Hormuz to remain in British hands, we have been working for years in this business. We have had every reason to believe, and still believe, the Muin's concession to be good and valid, and our contract rights are founded upon it. The concession has been forcibly cancelled and our contract violated by the Persian Government, who have been called upon to show that they had ground for such high-handed action at the expense of British subjects, and after a whole year's delay have utterly failed to do so.

We most humbly and respectfully beg that His Majesty's Government will now see to it that shipment by others than the Muin and Messrs. Andrew Weir and Co. are forthwith discontinued, and that all the parties to the contract are reinstated in their rights and adequately compensated for the wrongs done to them and the losses they have incurred.

We are, &c.

ELLINGER AND Co.

[13141]

No. 3.

Sir G. Buchanan to Sir Edward Grey.—(Received April 10.)

(No. 75.)

Sir,

St. Petersburg, March 26, 1911.

ON the receipt of your despatch No. 81 of the 18th March I left an *aide-mémoire* with the Acting Minister for Foreign Affairs informing him that the Persian Government had applied to the manager of the Imperial Bank of Persia for a second advance of 120,000 tomans; that the Regent had begged the manager to consent to this advance, and that his Highness had informed him that the conclusion of an eventual loan was part of the Sipahdar's programme. I added that the Imperial Bank were prepared to advance this sum, and that Sir G. Barclay had been instructed to express the hope that some of it would be devoted to the payment of the troops at Shiraz.

I have now the honour to report that I have received an *aide-mémoire* from the Imperial Ministry of Foreign Affairs informing me that the Imperial Government has taken note of the contents of my communication and thanks me for it.

I have, &c.

GEORGE W. BUCHANAN.

[12059]

No. 4.

Sir G. Buchanan to Sir Edward Grey.—(Received April 3.)

(No. 78.)

Sir,

St. Petersburg, March 29, 1911.

I HAVE the honour to transmit herewith a copy of an *aide-mémoire* communicated by the Ministry of Foreign Affairs, in which the Russian Government express their views on the proposal of His Majesty's Government to apply for a concession for a railway from Mohammerah to Khorembad.

The *aide-mémoire* was sent to me by the Acting Minister of Foreign Affairs in a private letter, in which his Excellency says that I may conclude from its terms that his Government raise no objection to the British proposal.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 4.

Aide-mémoire communicated to Sir G. Buchanan, March 27, 1911.

SIR GEORGE BUCHANAN ayant fait part au Ministère Impérial des Affaires Étrangères de l'intention du Gouvernement britannique de faire des démarches en vue d'obtenir du Gouvernement persan une concession pour la construction d'une ligne ferrée partant de Mohammerah et se terminant à Khorembad, le Ministère Impérial a l'honneur de faire à l'Ambassade britannique la communication suivante :—

Etant donné que la ligne projetée se trouve sur tout son parcours dans la zone neutre de la Perse et qu'en vertu de l'article 3 de la convention du 18 (31) août, 1907, concernant la Perse, les deux Gouvernements se sont mutuellement engagés à ne pas s'opposer à la recherche de concessions dans cette zone par les deux parties, le Gouvernement Impérial ne saurait nier le droit du Gouvernement britannique de faire la démarche en question.

Toutefois, le Ministère se voit obligé d'attirer l'attention de l'Ambassade sur le fait

que la ligne projetée dont le point terminus serait situé dans le voisinage immédiat de la ligne limitant la sphère réservée à l'influence russe, ne pourrait ne pas porter préjudice aux intérêts économiques que la Russie possède en Perse et que par suite il est à craindre que l'opinion publique russe n'accueille d'une façon extrêmement défavorable le fait qu'une pareille concession fût obtenue par l'Angleterre.

C'est avec plaisir que le Gouvernement Impérial prend acte en conséquence de la déclaration du Cabinet de Londres qu'il n'est question en ce moment pour l'Angleterre que de s'assurer la concession dont il s'agit et qu'avant de procéder à la mise à exécution de son projet le Gouvernement britannique compte entrer dans un échange de vues amical avec le Gouvernement russe afin de régler d'un commun accord toutes les questions se rattachant à la réalisation éventuelle de cette entreprise.

Le Gouvernement Impérial tient à offrir à l'Ambassade britannique ses meilleurs remerciements pour sa déclaration amicale certifiant que le Gouvernement britannique n'a pas d'objection à ce que des capitaux anglais participent à la construction par la Russie de lignes ferrées dans le nord de la Perse.

Saint-Petersbourg, le 14 (27) mars, 1911.

[12037]

No. 5.

Sir G. Lowther to Sir Edward Grey.—(Received April 3.)

(No. 207.)

Sir,

Constantinople, March 29, 1911.

WITH reference to the instructions contained in your telegram No. 69 of the 23rd instant, I have the honour to report that the Russian Ambassador and I yesterday made an identic verbal communication to the Minister for Foreign Affairs with regard to the proposed journey of the British and Russian commissioners to districts in Persia east of the contested zone now occupied by Turkish troops. We both, while informing Rifaat Pasha that the communication was a verbal one, read it to him, and my Russian colleague tells me his Excellency took some notes of it. I enclose a copy of the text of this communication, from which you will see that a hint is conveyed that the British and Russian consular agents would in any event be sent, whether or not the Turkish Government fell in with this suggestion. We considered this to be necessary in order to avoid the same negative result obtained by our commission (communication of the 16th May last year).

Rifaat Pasha said he would require time to consider the proposals, of which he did not see the precise object. I said that the proposed journey had suggested itself to our Governments owing to the contradictory reports that reached us from the various quarters interested as to the number, disposition, and occupation of the Turkish troops in Persian territory, and that it would be of great advantage to have these points cleared up. His Excellency assured me that, as far as he knew, and he had requested the military authorities to keep him fully informed, the troops in the zone in question—i.e., in the neighbourhood of Urmia and Solduz—did not exceed 1,000, and the numbers had not been recently increased. His Excellency asked whether Persia would also be invited to join the party. I said I believed she would. My Russian colleague, who had by arrangement preceded me, tells me his Excellency spoke rather more fully and in a very conciliatory spirit, and he carried away the impression that the Ottoman Government would agree to join our officials in this journey of enquiry.

M. Tcharykow suggests that our Governments should agree on the instructions to be conveyed to our agents, and that these should be both general and confidential, a copy of the general instructions being communicated to the Ottoman Government should they agree to join the expedition. He also considers that a plan of the journey should be made out before starting—this to be adhered to geographically, but the chronological order being left to our agents.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 5.

*Note verbale communicated to Ottoman Minister for Foreign Affairs,
March 28, 1911.*

LE Gouvernement anglais, désirant se rendre compte de la situation qui existe dans certaines parties de l'Azerbaïdjan, a informé la Sublime Porte, le 16 mai de l'année dernière, de son intention de charger un employé de son consulat général à Tauris de

faire dans ce but un voyage à Ourmiah et dans quelques districts avoisinants. L'Ambassadeur d'Angleterre a eu en même temps l'honneur, d'ordre de son Gouvernement, de demander au Ministre ottoman des Affaires Étrangères si le Gouvernement ottoman était disposé à munir son consulat général à Tauris d'instructions à l'effet de charger un de ses employés de faire simultanément avec un employé consulaire d'Angleterre le voyage projeté.

D'ordre de son Gouvernement, l'Ambassadeur d'Angleterre se fait un devoir d'informer actuellement le Gouvernement ottoman que le Gouvernement anglais a décidé de charger un de ses agents de visiter les contrées mentionnées dans la communication précitée du 16 mai, 1910, et de renouveler au Gouvernement ottoman la proposition de désigner de son côté des agents qui pourraient accompagner l'agent anglais au cours de son voyage.

Tout en espérant que des instructions dans ce sens seront reçues par les employés consulaires ottomans à Tauris en temps utile, le Gouvernement anglais a pris les dispositions nécessaires pour que son agent susindiqué se mette en route aussitôt que les conditions climatiques locales seront reconnues suffisamment favorables pour le voyage en question.

[12060]

No. 6.

Sir G. Buchanan to Sir Edward Grey.—(Received April 3.)

(No. 80.)

Sir,

St. Petersburg, March 30, 1911.

I HAVE the honour to forward to you herewith copy of an *aide-mémoire* which I have received from the Imperial Ministry for Foreign Affairs on the subject of the invitation to the Persian Government to appoint a delegate to accompany the British and Russian delegates on their journey of inspection along the Turco-Persian frontier.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 6.

Aide-mémoire communicated to Sir G. Buchanan.

LE Gouvernement Impérial partage entièrement l'avis du Gouvernement britannique qu'il suffirait pour le commencement de se borner à inviter le Gouvernement persan à nommer un délégué qui accompagnerait les représentants de la Grande-Bretagne et de Russie dans leur voyage d'inspection le long de la frontière turco-persane sans avertir préalablement le Gouvernement persan qu'en cas d'une réponse négative de sa part les représentants des deux Puissances feront le voyage seuls.

Le Gouvernement Impérial pense toutefois qu'il serait préférable d'abandonner la décision définitive au sujet de ce détail à l'appréciation des Ministres de la Grande-Bretagne et de Russie à Téhéran. Des instructions dans ce sens viennent d'être envoyées à M. Poklewski.

Saint-Petersbourg, le 16 (29) mars, 1911.

[12190]

No. 7.

Sir G. Barclay to Sir Edward Grey.—(Received April 3.)

(No. 109.)

(Telegraphic.) P.

Tehran, April 3, 1911.

REFERENCE to my despatch No. 14 of the 26th January.

His Majesty's consul at Ahwaz telegraphs that one, Maximoff, who is a friend of Jeverdiew, has approached Messrs. Lynch in London with the object of trying to raise 70,000*l.* to exploit the scheme.

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[12274]

No. 8.

Sir G. Barclay to Sir Edward Grey.—(Received April 3.)

(No. 110.)

(Telegraphic.) R.

Tehran, April 3, 1911.

MY telegram No. 86 of 18th March: Southern roads.

Hostilities mentioned have resulted in favour of Governor-General of Fars. Governor of Gulf Ports has been recalled. Governor-General has now sent expedition against Kamarej, near Kazerun, where resistance is likely to be prolonged, and His Majesty's consul at Shiraz reports that Bushire-Shiraz road will be blocked for a considerable time.

A robbery is reported near Sivend, north of Shiraz, 1st April, in which six loads belonging to Dixon are believed to have been captured. Caravan traffic between Shiraz and Ispahan is practically suspended.

Nizam has at last left Kazerun for Shiraz, where General Malletta has now arrived.

[12008]

No. 9.

Sir Edward Grey to Sir G. Barclay.

(No. 101.)

(Telegraphic.) P.

Foreign Office, April 3, 1911.

YOUR telegram No. 107 of the 1st April.

I approve proposed instructions to His Majesty's consul-general at Bushire and the action you have taken in matter of proposed Mohammerah-Khoreh-mabad line.

[12458]

No. 10.

Lord Grimthorpe to Sir Edward Grey.—(Received April 4.)

My dear Grey,

80, Portland Place, April 3, 1911.

I MUST apologise for troubling you again, but I am obliged to do so in justice to myself. Mr. Williams writes that he has been prevented from concluding negotiations with the Russian Finance Minister (1) because the Foreign Office have stated that he was only my agent, (2) because I have been a director of a "freak company," presumably Steele, Lockhart, and Co., as it can be no other. As to the first point, I have already stated that Williams is not only an agent, but a principal and a large shareholder in the 300,000l. syndicate, which has been formed to deal with Russian business; as to the second point, it is perfectly true that I have been a director of Steele, Lockhart, and Co., but am so no longer, for the reason that, not being satisfied with the way in which its affairs were managed, I retired from the board. Steele, Lockhart, and Co. are now in voluntary liquidation, and all its debts will be paid in full, so that I think it rather hard that I should suffer loss and discredit on its account.

I am sure you would not wish to do me an injustice. I am only associated in business with upright and honourable people. I have always met all my obligations, and no one has ever lost a sixpence through me. The moment I found that some of the methods of Steele, Lockhart, and Co. were not such as I could approve of, I refused to have anything more to do with it, and even in that company it was more the atmosphere that I disliked than anything they actually did, which is proved by the fact that all its creditors and shareholders will be paid in full, and that no one has so far brought forward any cause for complaint against it. I hope therefore that things may be put right at St. Petersburg, as it is not fair that I should suffer through faulty information.

Yours very truly,
GRIMTHORPE.

We have bought and paid for the forest in Manchuria.—G.

[12356]

No. 11.

India Office to Foreign Office.—(Received April 4.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a secret despatch to the Government of India, dated 31st March, 1911, regarding consular establishments in Persia.

India Office, April 3, 1911.

Enclosure in No. 11.

Viscount Morley to Government of India.

My Lord,

India Office, March 31, 1911.

WITH reference to the letters of your predecessor's Government in the Secret Department, dated the 3rd and 17th November, 1910, respectively, I forward, for the information of your Excellency in Council, copy of correspondence* with the Foreign Office regarding the reduction of expenditure in connection with His Majesty's consular establishments in Persia, and the proposed substitution in the case of certain of the consular officers serving there and elsewhere of members of the Levant consular service.

2. I request that I may, in due course, be favoured with the views of your Excellency's Government on the latter subject, with special reference to the letter from this Office to the Foreign Office, dated the 25th February last.

I have, &c.

MORLEY OF BLACKBURN.

[11542]

No. 12.

Sir Edward Grey to M. Cambon.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the French Ambassador, and has the honour to acknowledge the receipt of his Excellency's communication of the 28th ultimo, enquiring the view of His Majesty's Government as to the desirability of acceding to the request of the Persian Government for the loan of two French professors to teach administrative and commercial law in Persia.

Sir E. Grey has the honour to inform M. Cambon, in reply, that His Majesty's Government can see no objection whatever to compliance with the wishes of the Persian Government in this matter.

Foreign Office, April 4, 1911.

[11841]

No. 13.

Sir Edward Grey to M. Cambon.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the French Ambassador, and has the honour to acknowledge the receipt of his Excellency's communication of the 23rd ultimo, enquiring the opinion of His Majesty's Government as to the advisability of the return to Persia of M. Bizot in the capacity of financial adviser to the Persian Government.

Sir E. Grey has the honour to state, in reply, that His Majesty's Government see no objection to offer to the proposal provided that the Persian Government request M. Bizot to resume his post in their service.

The papers enclosed in M. Cambon's communication are returned herewith.

Foreign Office, April 4, 1911.

[10960]

No. 14.

Foreign Office to Treasury.

Sir,

Foreign Office, April 4, 1911.

WITH reference to your letter of the 24th ultimo, relative to the proposed survey of the line of country between Dizful and Khoremabad, I am directed by Secretary Sir Edward Grey to inform you that, according to a telegram from the Government of India, copy of which has been communicated to this department by the India Office, the total cost of the pay and allowances for the soldier-surveyor accompanying His Majesty's consul at Mohammerah is estimated at 650 rupees for the period of survey instead of 500 rupees as previously stated.

I am to express Sir E. Grey's hope that the Lords Commissioners of His Majesty's Treasury will not object to authorise the inclusion of half of this trifling additional sum, amounting to about 5l., in the amount already sanctioned for the purpose in question.

I am, &c.

LOUIS MALLET.

[12531]

No. 15.

Board of Trade to Foreign Office.—(Received April 5.)

Sir,

Board of Trade, April 4, 1911.

I AM directed by the Board of Trade to advert to their letter of the 15th March with reference to the contract between Messrs. Ellinger and Co. and Messrs. Andrew Weir and Co. and the Muin-ut-Tujjar for the supply of red oxide at Hormuz. I am to state that the Board have been in further communication with Messrs. Ellinger in regard to this matter, and that Messrs. Ellinger have suggested that, in regard to the question of interest, to which reference is made in the statement (B) attached to their letter to you of the 15th March, the rate of interest should be taken at 5 per cent. I am to state that the Board are of opinion that a rate of not less than 5 per cent. per annum should be taken if the question of principle involved in the claim is conceded and the propriety of bringing into account the incidental charges incurred through deferment of realisation of stocks be admitted.

I am to add that the Board have found Messrs. Ellinger exceptionally ready to accept all reasonable suggestions which have been put before them in the course of the communications between the firm and the Board.

I am, &c.

GEO. J. STANLEY.

[12564]

No. 16.

Messrs. Ziegler and Co. and others to Sir Edward Grey.—(Received April 5.)

Sir,

46, Sackville Street, Manchester, April 4, 1911.

WE beg to thank you for your letter of the 30th March, and note that the circumstances under which the robberies in the neighbourhood of Shiraz occurred are even worse than our correspondent had indicated. As to the troops themselves, from 200 to 300 of them had, apparently, not the courage to face about thirty brigands, and the officers in command, who have ostensibly been sent to Shiraz to maintain order, state that they have no instructions to act against the brigands. The question as to whether the troops are in collusion with the robbers does not seem to us to be of any importance. Their actions could not be worse if they were actually sharing the plunder, and, without being unduly suspicious, we fail to find any other possible explanation for the action of the Persian Government's troops and their officers.

No doubt the remonstrances which Sir George Barclay will make to the Persian Government will elicit the nature of the instructions given to the officers in command of these troops, and a guarantee that no similar occurrences will again take place, and we should be very greatly obliged if you would be so kind as to pass on to us the

substance of the Persian Government's reply to the representations that have been made to Sir George Barclay.

The present position of affairs in the south of Persia with regard to British commerce is, briefly, that ample time has been granted to the Persian Government to carry out the necessary measures for suppressing disorders by their own troops. The Persian Government have sent troops in very considerable force, and from private advices we learn that these troops have themselves pillaged and destroyed property (being Persian subjects' property) on the way down to Shiraz, and on arrival there these soldiers have been found to be worse than useless.

It is not conceivable that the reply from the Persian Government can be satisfactory. The troops and the officers before being dispatched from Tehran must have had their instructions, which they have disregarded, and we can see no reason to suppose that fresh instructions will be fruitful of better results, and we would respectfully ask how long His Majesty's Government will tolerate this state of affairs; and in order that we may be guided as to how far we shall further limit or, indeed, consider the necessity of entirely stopping our shipments to Persia, may we ask when the measures which His Majesty's Government have in contemplation for restoring order in the south will be put into active operation?

We are, &c.

PH. ZIEGLER AND Co.

H. C. DIXON AND Co.

(For Hadji Ali Akbar and Sons (Limited))

HUSSEIN AGHA,

Managing Director.

[12583]

No. 17.

Sir G. Barclay to Sir Edward Grey.—(Received April 5.)

(No. 111.)

(Telegraphic.) R.

Tehran, April 5, 1911.

HIS Majesty's consul-general at Bushire reports certain disorders on 3rd April consequent on collection of new imposts. Assistant superintendent of police shot dead an artilleryman. Former, pursued by latter's companions, fled to Turkish consulate. Pursuers invaded consulate compound, where they killed assistant superintendent and a Persian gendarme who was apparently guarding the consulate. At the request of Turkish Ambassador I have given his Excellency details as reported by His Majesty's consul-general. Turkish consul appears to have exaggerated incident.

[10656]

No. 18.

Foreign Office to Messrs. Strick and Co.

Gentlemen,

Foreign Office, April 5, 1911.

I AM directed by Secretary Sir Edward Grey to refer to your letter of the 1st and to the reply from this Office of the 7th ultimo relative to the working of the red oxide mines on the island of Hormuz.

In the former communication you promised for early in the following week a reply to the letter from this Office of the 27th February relative to the proposal to communicate to Messrs. Andrew Weir and Co. and Ellinger and Co. the terms of article 12 of your contract with the Persian Government, while in the latter you were informed that, till a further letter was received from you, no steps of the kind contemplated would be taken.

In view, however, of your failure to send the promised reply in the considerable period of time which has elapsed since the date of the communications referred to, I am to state that Sir E. Grey can no longer delay communicating with Mr. Ellinger.

I am, &c.

LOUIS MALLET.

[1798]

D

[12780]

No. 19.

Sir G. Barclay to Sir Edward Grey.—(Received April 6.)

(No. 113.)

(Telegraphic.) R.

Tehran, April 6, 1911.

YOUR telegram No. 90 of 27th March: Robberies on Southern Persian roads.
Minister for Foreign Affairs informs me that commanding officer has been recalled because of incident referred to.

[12897]

No. 20.

Lord Grimthorpe to Sir Edward Grey.—(Received April 7.)

My dear Grey,

80, Portland Place, April 5, 1911.

THE Foreign Office have shown me so much kindness and consideration, for which I am exceedingly obliged to you, that I am very much troubled by the idea that my association with Steele, Lockhart, and Co. may have in any way prejudiced me in your eyes. I have therefore asked the solicitors of the company, Messrs. Salamon, to draw up a brief statement of its position, which I enclose. This statement is entirely accurate, and shows that I cannot justly incur any discredit by having accepted a seat on the board. The methods which I told you I disapproved of were those of the managing director, in connection with business outside the company. It was in consequence of this that I decided to retire, as I saw that they were injurious to the company, but the company itself has done nothing to which any exception could be taken. I hope that I have now made this matter clear, and trust that I may have removed any doubts that entirely unfounded rumours may have created in your mind.

Yours very truly,

GRIMTHORPE.

Enclosure in No. 20.

Statement respecting Messrs. Steele, Lockhart, and Co. (Limited).

THIS company was incorporated on the 28th September, 1908, practically as successors to the old-established South African indent merchants, Steele, Lockhart, and Co.

This firm, side by side with their business of indent merchants, assisted in the financing of many first-class undertakings, such as the Goldfields of South Africa and the South African Gold Trust, and not long before the formation of the company successfully floated the Egyptian Trust and Investment Company, which offered 200,000 shares, for which 11,000,000*l.* was subscribed.

They also, amongst other companies, floated the F.I.A.T. Motor Cab Company (Limited).

It was considered that in limiting the liability of the firm it would facilitate the inclusion of some important gentlemen who would otherwise not have been willing to join it. Amongst others, Lord Ribblesdale, Sir James Crichton-Browne, Sir Valentine Grace, Lord Grimthorpe, and Mr. G. C. Howard, the well-known and rich stockbroker, subscribed a substantial amount of its capital on the memorandum of association.

The company after its incorporation investigated a number of financial schemes, some of which had been negotiated by the old firm, notably the construction of the Rambla Sud for Monte Video, and it is the fact that the very large nature of this business prevented them from taking up many other important undertakings.

The contract for the Rambla having been secured, and an interest in the company secured therein to Steele, Lockhart, and Co. (Limited), and their capital having been exhausted for the moment by reason of their expenditure in this large undertaking, it was determined that the company should be voluntarily wound up, and their debts paid in full out of their assets.

So far as we are aware the business of Steele, Lockhart, and Co. (Limited) was conducted on perfectly proper lines, and we should be surprised to hear that any possible suggestion to the contrary could be made by anyone having business dealings with it.

[10939]

No. 21.

Foreign Office to Board of Trade.

(Confidential.)

Sir,

Foreign Office, April 7, 1911.

WITH reference to private letters, dated the 25th August and 4th September, 1909, exchanged between members of your Department and this Office, relative to deposits of sulphur at Bostane, near Lingah, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's consul-general at Bushire discussing the question of the measures to be taken to secure the working of these deposits for British enterprise.

The best solution of the question would undoubtedly be that Messrs. Strick should obtain the comprehensive concession mentioned by Lieutenant-Colonel Cox. Failing this, it would be desirable that the same firm should secure the smaller one for working the Bostaneh mines. But if any communication is made to Messrs. Strick, it should also be communicated to other British firms interested in the matter.

I am, &c.

LOUIS MALLET.

[11049]

No. 22.

Foreign Office to Indo-European Telegraph Company.

Sir,

Foreign Office, April 7, 1911.

I AM directed by Secretary Sir Edward Grey to refer to your letter of the 9th ultimo, stating that your company have received from the Russian Government a request that they will submit suggestions for the repair, maintenance, and working of certain telegraph lines within the Russian sphere of influence in Persia, including those from Tehran to Khanikin and Tehran to Meshed, whence they deduce the conclusion that the control of these routes is, or will eventually be, vested in the Russian Government.

With regard to the point thus raised, I am to state, for the confidential information of your board, that, at the time of the negotiations which resulted in the Anglo-Russian agreement, it appeared both to His Majesty's and to the Russian Government desirable, in view of the new situation which would be created in Persia by the signature of that instrument, that neither Government should continue to control telegraph lines lying within the sphere of influence assigned to the other.

An arrangement was accordingly concluded in 1907 whereby the control of the Tehran-Meshed line, at present exercised by Great Britain, should pass to Russia, and that of the Khaf-Nasratabad section of the Meshed-Seistan line (*i.e.*, that portion of the line which lies within the British sphere) should be transferred to Great Britain.

It was further agreed that the assent of the Persian Government to this arrangement should be obtained, but this stipulation has not yet been carried out, because, in the judgment of the two Governments, an opportune moment for making the necessary communication has not yet arrived.

As regards the Tehran-Khanikin line, I am to transmit to you herewith a summary of the various arrangements which have from time to time been concluded respecting this concession,* and to inform you that in 1907 the Russian Government formally assented to a proposal of His Majesty's Government for the cession to Russia of the hitherto unexercised right of Great Britain to control the line in return for certain important advantages in connection with the renewal of other British telegraph concessions.

It has not yet been thought desirable to inform the Persian Government of this arrangement, though it is intended to do so when a suitable opportunity occurs.

I am to point out to you that, as article 3 of the Anglo-Russian arrangement concerning Persia provides for the maintenance of all existing concessions in both the British and Russian spheres of influence, the interests of your company are in no way injured by the agreement above referred to.

I am to add that, as it was, in Sir E. Grey's opinion, necessary to obtain the consent

* Already printed

of the Russian Government to the communication of the above facts to your company, some delay in the matter has been inevitable.

I am, &c.
LOUIS MALLET.

[12998]

No. 23.

Messrs. F. C. Strick and Co. to Foreign Office.—(Received April 8.)

Sir, *Baltic House, Leadenhall Street, London, April 7, 1911.*
WE have your letter of the 5th instant, and, in reply, beg to say that the reason why we have not yet written you on the subject referred to in your communications of the 27th February and the 7th March is because we are waiting for a reply to a letter which we wrote to our agent in Tehran, which letter we expect will reach him within the next day or two, and we shall doubtless receive a reply from him during the next few days, when we shall have the honour of writing you again.

We have, &c.
FRANK C. STRICK AND CO.

[13062]

No. 24.

Sir G. Lowther to Sir Edward Grey.—(Received April 9.)

(No. 85.)

(Telegraphic.) P.

Constantinople, April 9, 1911.

TURCO-PERSIAN incident at Bushire.
Turkish consul at Bushire has asked for a Turkish guard in consequence of an incident at his consulate in which the mob, pursuing a policeman, invaded the consulate, where he had taken refuge, and killed both him and two of the consulate servants.

The Turkish Minister for Foreign Affairs referred to this request in conversation with me. I replied I understood the Persian Government had offered the necessary excuses. His Excellency probably was trying to sound me as to whether there would be any objection on our part.

[13170]

No. 25.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 29.)

Sir,

Tehran, February 27, 1911.

IN November last there was a rumour that a Turkish consul was about to be appointed at Mohammerah, and I accordingly enquired of His Majesty's consul-general at Bushire whether he had any confirmation of it. Colonel Cox replied that he would make enquiries and report further, and I have now the honour to transmit copy of his despatch in question.

It will be observed that the impression derived by Mr. Wilson, who discussed the question with the sheikh, was that his Excellency, while disliking the prospect of such an appointment, finds himself unable to offer any valid arguments against it, and would hope that the means of communication hitherto employed between himself and the Turkish authorities would not be changed thereby.

I am somewhat sceptical as to whether the Turks would take the view desired by his Excellency, but I have no reason to suppose that the appointment is imminent.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 25.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 3.)

Sir,

Bushire, January 15, 1911.

I HAVE the honour to submit the further communication promised in my telegram No. 316, dated the 9th November, 1910, on the subject of the rumoured intention of the Porte to appoint a consul at Mohammerah.

Lieutenant Wilson's report on the subject is enclosed, and I generally agree with the views expressed therein.

Referring to his paragraph 3, I presume that the sheikh would be entitled to regard the Turkish representative as appointed simply to look after the interests of Turkish subjects in Mohammerah, and would be under no obligation to use him as a medium of communication with the Bussorah authorities, and so upset the practice in vogue for so many years.

The rumour has not been lively for some time now.

I have, &c.

P. Z. COX, *Lieutenant-Colonel, British Resident
in the Persian Gulf, and His Britannic
Majesty's Consul-General for Fars, &c.*

Enclosure 2 in No. 25.

Lieutenant Wilson to Lieutenant-Colonel Cox.

(No. 30.)

Sir,

Mohammerah, January 5, 1911.

I HAVE the honour to refer to your letter of the 15th November on the subject of the proposed appointment of a Turkish consul at Mohammerah, and forwarding copies of the marginally-noted telegrams.*

2. I have discussed the matter at length with the sheikh's advisers, Mirza Hamza and Haji Rais, and briefly with the sheikh himself. The upshot is that the sheikh, whilst disliking the prospect of such an appointment, finds himself unable to offer any valid arguments against it. He would hope to secure the good-will of the incumbent of the post by occasional subsidies, and would probably succeed in doing so.

3. The only question likely to arise in connection with the appointment would be the sheikh's right to correspond direct with the Vali of Bussorah, and not through the Persian consul at Bussorah or the Turkish consul at Mohammerah. The sheikh rightly attaches considerable importance to this point, which has been conceded to himself and his predecessors uninterruptedly from early times, and he thinks, not without reason, that correspondence through the Persian and Turkish consuls would serve to magnify petty questions and vastly increase the difficulty of settling any specific case.

By the temporary Turco-Persian Boundary Agreement of 1869 ("Aitchison's Treaties, &c.," 4th edition, vol. xii, Appendix XIX) it is provided that, should any dispute arise relative to disputed lands, the frontier authorities will in the first instance discuss the matter between themselves. Local custom has very wisely extended the application of this clause to all disputes, with good results.

4. As long as this right is recognised, I do not think the proposed appointment need be a source of anxiety to us. We can rely on the sheikh's good sense and diplomatic skill so to arrange matters that his position will not suffer thereby.

I have, &c.

A. T. WILSON, *Lieutenant, I.A.,
His Britannic Majesty's Acting Consul for Arabistan.*

* Minister to Resident, No. 231, November 5; Resident to Minister, No. 316, November 9, 1910.

[13172]

No. 26.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 31. Secret.)

Sir,

Tehran, March 6, 1911.

IN my despatch No. 24, Secret, of the 22nd ultimo, I reported Nasr-ul-Mulk's language to Mr. Churchill regarding the terrorism exercised by the "Democrats" in Tehran.

On the 18th ultimo Nasr-ul-Mulk summoned to his private house Dr. Neligan, who, as has been arranged with his Highness, is the intermediary for private communication between his Highness and the two legations.

After repeating to Dr. Neligan the assurances he had given to Mr. Sabline regarding Mr. Osborne's projects (see my telegram No. 69) his Highness reverted to the subject of "terrorism." I have the honour to enclose a copy of a memorandum prepared by Dr. Neligan, recording his Highness's observations on this subject.

Since my despatch above referred to there has been a crime in Tehran which looks unpleasantly like retaliation for the murder of Sani-ed-Dowleh. On the evening of the 23rd ultimo, two men belonging to the section of the Fedai identified with Sipahdar were murdered by men of the section led by Haidar Khan, of whom mention is made in Dr. Neligan's memorandum, and who has always been identified with the "Democrats."

As you will observe, Nasr-ul-Mulk speaks of a recent attempt on Sipahdar. This is the first I have heard of the incident, which I understand occurred on the 25th February, as Sipahdar was just about to enter the Medjliss. No shot was fired, and it is perhaps too much to call it an attempt on Sipahdar's life.

However this may be, the events of the past few weeks have made it clear that there is danger at the hands of the Fedai element for politicians, whether "Democrats" or "Moderates," and it is clearly desirable that this dangerous element should be removed without loss of time.

I understand from a further message which I have just received from Nasr-ul-Mulk that the idea of entrusting to Sardar Assad the task of dealing with these ruffians has been abandoned, as it would involve the employment of force, and that it is now intended to endeavour to induce them to leave by gifts of money.

I have, &c.

G. BARCLAY.

Enclosure in No. 26.

Memorandum by Dr. Neligan respecting Interview with the Naib-es-Sultaneh, February 28, 1911.

HE then discussed for half-an-hour or more the present position at Tehran, with special reference to "terrorism." The principal points were as follows:—

1. He had received threatening letters when in Europe but none since he had returned to Tehran. He was certain these letters came from the so-called democratic party.

2. He was sure the democratic party was hostile to him, for they solidly opposed his election in the Medjliss.

3. He received excellent information as to what was going on in Tehran—better than that obtained by the police.

4. The democratic party was well organised, it held secret meetings at a house which was well known, and was very active.

5. This party had begun the series of murders by killing Seyyid Abdullah. There was no doubt that the murder was a political one and planned by the party, for it occurred a few days after the receipt of a letter from Kerbela attacking Taghi Zadeh. Seyyid Abdullah was hostile to the latter. This murder had begun a series of reprisals. He knew for a fact that the party had hired assassins at its disposal, and had recently imported more from the Caucasus. Everyone knew what Haidar Khan was. When the late Cabinet was in power Haidar Khan received 200 tomans a-month. The party had been strong enough to force a creature of their own on the Minister of War; he

was at the War Office and had at his call about forty irregular horsemen, who, though the servants of this small party, were paid by the Government.

6. He did not believe that men like the Nawab and Hakim-ul-Mulk really engineered assassinations, but they attended the secret meetings referred to above, where he had reason to believe people were marked down for murder. Moreover, Haidar Khan was a member of their party. Curiously enough, he was a Russian subject.

7. An attempt was made on Sipahdar a few days previously, but was frustrated. He was to have been shot as he entered the Medjliss, but his own men had wind of what was going on, and closed round the would-be assassin after he had removed his gloves, and had put one hand inside his coat, presumably to draw his revolver. Some ten or twelve of the horsemen referred to above were near to facilitate his escape.

8. While this "reign of terror" continued Government was impossible. He had therefore called together Sipahdar and the Ministers who had been nominated. (The Cabinet he hoped would be complete by Saturday), Sardar Assad, Momtaz-ed-Dowleh, the leaders of the two parties, and a few deputies, and had told them they must put an end to it. It was absurd to carry their political animosities to the length of assassination. The leader of each party feared for his life—it was evident therefore that each party employed assassins. The town must be cleared of these men, and they must come to some sort of arrangement to bring this about. He suggested that Sardar Assad should be given the task, and Sardar Assad agreed. He then told them to go to the Medjliss and say what he had said. They had done this, and had created some sensation in the House. So far (the meeting was five days ago) nothing had been done.

9. The guilds had sent a deputation to him some days ago, saying that they would go on strike "if these reprisals continued." He had told them "not to be silly," and that he was doing all he could in the matter. He had sent a message to the Medjliss telling it of this deputation.

10. In connection with Seyyid Abdullah there was at the moment a mollah who was in fear of his life. He (Nasr-ul-Mulk) was certain that if another mollah was killed there would be an "uprising." If such a thing happened now, when the Russian troops were being withdrawn, it would be most unfortunate.

11. Speaking of the democratic party, he said it was not the Young Persian party, the other side included men like Mustashar-ed-Dowleh and Muntaz-ed-Dowleh, who were exceedingly liberal in their views. For the moment he could not understand "this so-called democratic party," for Ain-ed-Dowleh had joined it. Nor did he understand why Mustashar-ed-Dowleh had left it.

12. Personally he was a Liberal, and he could not conceal it. He did not care what party was in power as long as the country became settled. Sipahdar had been chosen by the majority of the Medjliss, and he would support him. And yet already his life had been threatened. The outlook was exceedingly hopeless.

[13174]

No. 27.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 33.)

Sir,

Tehran, March 7, 1911.

THOUGH I endeavoured to convey to you in my telegram No. 73 of the 5th instant the main points of the address which Nasr-ul-Mulk delivered the previous day at the Medjliss before taking the oath as Regent, I venture to think it important enough to merit a fuller summary compiled by Mr. Churchill, which I now have the honour to transmit.

The Regent's visit to the Medjliss was unattended by any special ceremonial, but he was received with particular respect by all present, including some of the diplomatic corps, among whom were the Turkish Ambassador, the United States Minister, and several members of my staff. All present stood when the Regent entered the Chamber, and again when he rose to take the oath.

Though the address was listened to in silence, the absence of any kind of demonstrativeness on the part of his audience in no way indicated that the Regent's words were not listened to with appreciation.

Persian statesmen are not in the habit of speaking as plainly as the Regent did on this occasion, and the directness of his language did not fail to cause a profound impression.

It is to be hoped that his earnest appeal to his hearers to put aside their personal animosities will have a salutary effect, for, if there is no improvement, I fear that he will carry out his threat to resign.

I have, &c.
G. BARCLAY.

Enclosure in No. 27.

The Regent's Address at the Medjliss on the 4th March, 1911.

AFTER stating that he had particularly requested that his present visit to the Medjliss should not be attended by any ceremonial, the Regent went on to explain at great length the cause of his delay in coming to Persia. His election had not been properly conducted, it had been done in haste; and though he had refused the Regency when it was offered to him at the time of the opening of the present Medjliss, he had not been consulted as to whether he would accept it on this occasion; nor had his conditions been ascertained. His telegrams to Tehran on the subject had been ignored, and his enquiries as to the manner in which his election had been conducted had remained without answer. The election of a Regent, he stated, was not a party question. The Regent was outside party politics, and yet his election had been conducted on party lines. After dwelling on this point at some length, the Regent expressed his opinion that his election should not form a precedent, and that laws should be enacted governing the election of a Regent for the future. Resuming, he stated that, as his telegrams remained unanswered, he resolved, though reluctantly, to come to Persia to discuss the matter personally with those concerned. In the meantime, both in Persia and in the European press, his delay had been attributed to fear and a refusal to take office. Moreover, when in Europe he had received threatening letters. But he desired to say that it was neither fear nor a refusal to take office which had caused him to delay. The reason was, as he had already stated, that though he was chosen as Regent, the Cabinet did not send an answer to any of his questions. He must add, however, that the personal telegrams he had received from his friends in the Cabinet, from the deputies, and the telegram signed by all the deputies, had served as a personal recompense for shortcomings in another respect. On arriving at Tehran the Premier had tendered his resignation, and he had therefore found himself confronted with a Cabinet crisis. In order not to allow this uncertain state of affairs to continue, he had come to the Medjliss to take the oath. Before continuing, however, he desired to allude to the general impression which existed at Tehran and in the provinces, namely, that he was expected personally to put everything right. This, he declared, was quite an erroneous idea, and contrary to the fundamental laws, which gave no power to the Crown. He would dispel this error, as he did not wish to be blamed if the expectations of the people were not fulfilled.

The Regent then went on to discuss what he thought was expected of him, and said he would follow that by stating what he expected of the Medjliss and the people. He said: "Regarding your expectations of me, I think the fundamental laws are sufficient on this score. The deputies know this point better than I do, and my explanations are intended for the general public. In accordance with article 12, the framing of laws is the business of the National Assembly or the two Houses; the Crown must pass them, and has no power to modify them or hold them back. In accordance with article 44, the Ministers are responsible to the Medjliss, and article 67 decrees that if the Medjliss passes a vote of censure on the Ministers, they must be dismissed. If we take these laws into consideration, we will see that, though in form the appointment of the Premier is the prerogative of the Crown, nevertheless, seeing that the Ministers are responsible to the Medjliss and that they can be dismissed in consequence of the want of confidence of the majority, it is the custom in all constitutional countries, in order to provide against this contingency and continual Cabinet crises, for the Crown first to find out, through the President of the House of Representatives, the views of the majority, and then to appoint a Premier. He, in his turn, is entirely independent as to the choice of the members of his Cabinet, who will naturally be persons holding the same political convictions as himself. It will therefore be obvious that both the executive and legislative bodies are independent of the will of the Crown. It is clear from this that all power and responsibility for the conduct of the affairs of State lie with the National Assembly or the two Houses and the Ministry. All that remains for the Crown is to express opinions on State affairs in general, and that only unofficially, and the Cabinet is free, in view of its responsibility

to the Medjliss, either to accept or refuse such suggestions from the Crown as it thinks fit. These observations on my part are not to be taken as criticism or as an appeal for extended powers. If under certain circumstances the Medjliss should think it necessary to extend the powers of the Government—and such a contingency is quite conceivable—they must give such extended powers to the Ministers who are responsible to this House. After what I have said it will be quite clear to everyone that the form of oath prescribed by the fundamental laws is not compatible with the limited authority of the Crown, and, of course, everyone who is aware of these facts will take the oath in this spirit, and it is in this spirit that I will take the oath. I will with all my power strive to serve my country, the Government and nation, and to strengthen the foundations of the constitution."

The Regent then earnestly entreated the Medjliss and the Cabinet to direct their attention to pressing current affairs, and to strive earnestly, in complete accord with one another, to bring about the reforms so urgently needed. He thought it was perhaps superfluous to state that if the reintroduction of a parliamentary form of Government had not been attended with that measure of success which had been so generally expected when the principal obstacles in its way had been removed, this want of success had been due to the unfortunate conflicts between parties and persons which he so much deplored. He earnestly hoped that these conflicts would in future be put an end to, and that complete harmony and brotherly co-operation would take their place. It was only by this means that the benefits of freedom and progress, such as are enjoyed by countries with parliamentary forms of Government, could be secured.

In conclusion, the Regent, who spoke with much deliberation and earnestness, delivered the following warning:—

"If there should again appear symptoms of the former enmity, and if I see that affairs do not advance, but that, on the contrary, the difficulties are increased, by this oath which I am about to take, my conscience prompts me—and every right-minded person will agree with me—not to continue to hold this office and to witness such an unfortunate state of affairs. I am sure every individual member of the nation will in his heart approve, and in such circumstances—which I hope will not supervene—they will not be astonished if I withdraw, because I shall have acted in accordance with my duty both from a legal point of view and in accordance with the dictates of ordinary intelligence and in the interests of the State. I hope that the way in which I have drawn your attention to the defects of affairs will not cause anyone to protest, since it is important for all to know of important matters concerning internal affairs, and nothing should be hidden from them. Abroad also it will cause hope if they see that we are aware of our shortcomings, for it will seem as if we are trying to correct them."

The Regent then read the oath prescribed by the fundamental law and kissed the Koran.

He afterwards informed the House that the majority of the deputies having let him know their choice, he had appointed Sipahdar-i-Azam to the office of Premier, and that he was forming a Cabinet. The Premier would, in the course of the next two or three days, lay his Cabinet's programme before them, and would in the meantime conduct the current affairs of State.

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No. 28.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 34.)
Sir,

Tehran, March 9, 1911.

WITH reference to my despatch No. 22 of the 22nd February respecting the progress of the measures on foot for the restoration of order on the southern roads, I have the honour to transmit herewith copies of despatches from His Majesty's acting consul at Shiraz which contain information of a not very reassuring nature.

The first of these despatches reports the miserable state of the soldiers in garrison at Shiraz, owing to the non-payment of their wages. Mr. Smart views with apprehension the approaching arrival of the additional troops dispatched to Shiraz in accordance with the Persian Government's programme, and represents the dangers which the accumulation of such a rabble threatens unless some satisfactory arrangements are made for its more or less regular pay.

I at once brought the substance of this despatch to the notice of the Minister for

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Foreign Affairs and emphasised the importance of paying these troops regularly, adding that the Persian Government would be incurring great risks by neglecting this elementary duty. The Mohtashem-es-Sultaneh, while stating that the reformed troops had been paid in advance up to the end of February, promised to speak to the Minister of War on the subject.

Mr. Smart's second despatch, of which I have communicated a written summary to the Persian Government, contains an account by a recent traveller of the deplorable state of insecurity on the Shiraz-Ispahan road, and the consul states that he cannot lay too much stress on the fact that the Persian Government had not up to the beginning of February taken any special measures to ensure a reasonable amount of continuous security on that section of the southern trade route. That this statement still holds good is proved by telegrams recently received from Mr. Knox, who has replaced Mr. Smart as consul at Shiraz, to the effect that since the robberies mentioned in my despatch No. 22 two more robberies on a large scale took place on the 22nd February (as reported in my telegram No. 70 of the 28th February) in the district north of Shiraz. In the one case, which took place within 12 miles of the city, 200 camels were carried off, and amongst the stolen goods were ten bales of piece-goods belonging to Messrs. Ziegler, and Mr. Acting Consul Knox fears that other British firms have suffered heavily in this robbery. A telegraph gholam carrying stores for the department also lost everything. The robbers were estimated to be in number about 400, and the caravan was accompanied by 150 tufangchis.

In the other case, which took place farther north, five loads were carried off, of which one belonged to the Dehbed telegraph inspector and three are reported to be the property of Messrs. Ziegler. Later telegrams from Shiraz report further small robberies and that no caravans would venture beyond the vicinity of the town. His Majesty's consul-general at Ispahan also reports that, in consequence of these robberies, the road between Ispahan and Shiraz is practically unavailable for commercial purposes.

It appears that the Kawam, Deputy Governor of Shiraz, telegraphed to the Nizam-es-Sultaneh that he proposed to send a force of regulars against the robbers, but that the financial authorities refused to advance the money necessary for the hire of transport. The Nizam-es-Sultaneh delayed replying for five or six days, and then confined himself to asking for details of the estimated expenditure. The Nizam has been loitering in the neighbourhood of his own properties, and by the 1st March only appears to have reached Kazerun, where he intended to remain eight or ten days, a rate of progress which would not bring him to Shiraz before the middle of the month.

Since receiving these telegraphic reports I have been unremitting in my efforts to impress on both the Minister for Foreign Affairs and the Sipahdar, the Prime Minister and Minister of War, the urgent necessity of facilitating in every possible way the dispatch of an expedition to punish the robbers and recover the stolen goods, of sending money for the pay of the troops and the provision of transport, and of instructing the Nizam peremptorily to hasten his arrival at Shiraz. I have pointed out that the Nizam should understand that every day of unnecessary delay greatly reduces the chances he may have of establishing some degree of order and of being in time to forestall the disorders to be expected at the period of the tribal spring migrations.

I have received assurances from the Persian Government that instructions have been telegraphed to the new Governor-General in the sense desired, and that, as regards money, the sum of 30,000 tomans has been sent to Shiraz, though this seems but a small sum out of the 120,000 tomans which the Imperial Bank (see your telegram No. 58) has lately advanced to the Persian Government, and the manager of the bank cannot confirm that any sum has actually been transferred to Shiraz.

With regard to other sections of the main southern road, Colonel Cox reported on the 6th instant that the road from Bushire to Shiraz was fairly passable, but that the immunity from robberies might be attributed to the facts that there was still much snow in the passes and that the new Governor-General of Fars was halted half-way on the road.

The section between Ispahan and Tehran, however, appears to be in a dangerous state and to be left totally unguarded. Two Englishmen travelling to Tehran, Messrs. Kay and Haycock, the former an agent of Messrs. Dixon, were held up last week at a place about 24 miles north of Ispahan, near where a similar mishap occurred to Mr. Dalton, of the Imperial Bank, a few weeks ago, and were robbed of most of their possessions.

I may add that General Maletta has arrived at Ispahan, but is again delayed there for want of a suitable escort to conduct him to Shiraz.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 28.

Acting Consul Smart to Sir G. Barclay.

(No. 5.)

Sir,

Shiraz, January 27, 1911.

I VENTURE to bring to your notice the question of the Shiraz garrison and the dangers involved in its increase.

There are now about 2,300 infantry soldiers ("sarbaz") in Shiraz. These soldiers are in a state of pitiful destitution owing to the non-payment of their wages. To save themselves from starvation they are compelled to beg, to steal, to cut down for firewood the trees around Shiraz, and, on one occasion, actually to plunder a whole quarter of the town. Their wood-cutting exploits have excited much alarm among the Shirazis, who view with despair the prospect of the fairest valley in Persia being denuded of the trees which constituted its chief beauty, and are almost a necessity against the burning sun of a Shiraz summer. The local authorities have made feeble attempts to restrain the soldiers, but with 100 Cossacks and a few local sowars it is impossible to control 2,300 starving soldiers.

The above is a moderate description of the position resulting from the presence of the actual garrison at Shiraz. Moreover, it must be remembered that the harmfulness of the present garrison has been to some extent mitigated by the fact that its command has been vested in Nasr-ed-Dowleh. This impetuous young man has many faults, but his worst enemies cannot accuse him of lack of generosity. In the early part of his administration he paid out of his own pocket not less than 25,000 tomans to maintain the garrison entrusted to his care. It is extremely unlikely that any other commander-in-chief will make similar sacrifices.

I have frequently expressed my apprehensions on the subject to the local authorities and have suggested the advisability of dismissing a part of this useless, pernicious soldiery. They have always replied that the central Government will not sanction this measure. Kawam-ul-Mulk has often privately expressed to me the anxiety which the soldiery cause him, and only a week ago he told me that he had solemnly warned the Persian Government by telegraph that, unless the troops were paid or dismissed, serious disorders were not unlikely.

I understand that the Persian Government are now sending to Shiraz a large force, the greater part consisting of the usual infantry regiments. I do not entirely share the view of those who maintain that the sarbaz are absolutely useless. A moderate number is, in my opinion, useful, if only to serve as a nucleus for expeditions, the main strength of which must consist in sowars. The presence of sarbaz is sometimes invaluable to convince waverers among rebellious tribes, &c., that the expedition is really a Government undertaking; the sarbaz have thus often helped to form a large army on the snowball system. The sarbaz are often useful in the town against timid citizens who may at times give trouble. The present garrison, however, is more than sufficient for these purposes. I view with apprehension the prospect of further increases involving the presence of some 4,000 sarbaz at Shiraz. Kawam-ul-Mulk, in reply to an enquiry from me, said that presumably the Persian Government would not send such a large force without arranging for its pay. I wish I could share this moderate optimism. Personally, I anticipate that the whole garrison of 4,000 sarbaz will have to live in the usual hand-to-mouth manner, receiving occasional pittance on account of arrears of pay. It is not impossible that Nizam-es-Sultaneh, like so many of his predecessors, may, after a brief reign, disappear ingloriously from Fars. Some impotent deputy governor will be left in charge during a long interregnum with 4,000 hungry, unpaid sarbaz. Then it will be a matter for congratulation if the soldiery contents itself with merely plundering the Jewish quarter.

It may be said that the troops were just as badly paid in the past without serious results. According to the local authorities, however, the recent military reforms have modified very disadvantageously the position of the sarbaz. Formerly they received regularly rations in kind from the Government and their "khanehvareh" from their villages. Their infinitesimal wages of a few tomans yearly were rarely paid. The new Government, with its usual mania of putting the cart before the horse, has suppressed

the rations and taken over the "khanehvari" for itself, fixing in return the soldiers' pay at 1 kran a day. The villagers, knowing that the "khanehvari" would no longer go to their comrades serving with the colours, and realising the impotence of the Government to collect it for the Treasury, have generally refrained altogether from paying this tax. The result is that the unfortunate soldier has nothing to live on except occasional doles on account of his arrears of pay.

All Persians with whom I have discussed the matter have always agreed that it would be much better for the Persian Government to equip properly and pay regularly 1,000 efficient troops instead of wasting money on this large and useless garrison. The Persian Government may have reasons for persisting in this curious policy of importing into Fars hordes of inefficient, unpaid soldiers. I only wish to bring to your notice the dangers which the accumulation of this rabble in Shiraz may occasion, unless some satisfactory arrangements are made for its more or less regular pay. You may perhaps think it advisable to warn the competent authorities at Tehran of the danger, so that, in the event of any future disaster, the Persian Government may not be able to plead that they were taken by surprise.

I have, &c.

W. A. SMART.

Enclosure 2 in No. 28.

Acting Consul Smart to Sir G. Barclay.

(No. 6.)

Sir,

Shiraz, February 3, 1911.

I HAVE the honour to transmit herewith a memorandum, kindly furnished me by Mr. Moir, local manager of Messrs. Ziegler, regarding the Shiraz-Ispahan road. Mr. Moir, who is the first Western traveller to pass along this road since last May, reached Shiraz on the 22nd January.

Mr. Moir's description of the road agrees with my information and the accounts I have from time to time given you. I cannot lay too much stress on the fact that the Persian Government have as yet taken no special measures to ensure a reasonable amount of continuous security upon the Ispahan-Shiraz road. The Bushire road has been entrusted to Soulet-ed-Dowleh, whose willingness or ability to protect that route permanently has yet to be proved. The re-establishment of order along the Bushire-Ispahan road is, therefore, as yet quite problematical. The immediate future of the road will depend largely on Nizam-es-Sultaneh and the measures he is able to take for its effective policing. Probably the only measure which could ensure a certain amount of durable security on the Ispahan-Shiraz road would be to entrust that section to some powerful magnate, such as Nasr-ed-Dowleh, in the same manner as the Bushire road has been entrusted to Soulet-ed-Dowleh. As I have reported, the Persian Government have been negotiating on the subject with Nasr-ed-Dowleh, but these negotiations have hitherto been abortive owing to the failure of the Persian Government to make any arrangements for the financing of the scheme.

I would also lay stress on the fact that the opening of the Ispahan road is at present the essential requirement. Different roads between Shiraz and Bushire have been open, with brief interruptions, for an entire year, while the Ispahan road has been closed to regular traffic during the whole of that period. Shiraz is mainly a distributing centre, and the opening of the Bushire road is commercially almost valueless unless a road is also opened to the north. I have frequently referred to the deplorable condition of the northern postal service, which is practically moribund. In fact, letters for Tehran are now generally sent via Bushire and Bagdad. Caravans only proceed fitfully along the Ispahan road and can only get through safely by taking special guards and by paying blackmail, often extortionate, to the brigands on the way. No merchants, who can afford to hold their hand, are forwarding to Ispahan.

With reference to the Kurdshulis, mentioned by Mr. Moir, these people were until last summer peaceful, well-behaved villagers. Their village, Kurdshul, near Tang-i-Bulaki, was completely plundered by the Arabs of Reza Kuli Khan last September (see my diary of the 10th September last) and the unfortunate villagers, being quite ruined, have taken to brigandage for a livelihood. I have on several occasions reported their activity, especially last October in connection with the damage done to the northern telegraph wires. They have for the last three months been blocking the Tang-i-Bulaki, levying blackmail on the caravans which occasionally pass. The case of these Kurdshulis is, unfortunately, far from being unique, and one

of the most disquieting symptoms of the anarchy in Fars is the way in which peaceful villagers, ruined by tribal depredations, are taking to brigandage as the only means of earning a living. It is credibly reckoned that in the last two years more than one-quarter of the total corn-land of Fars has gone out of cultivation. It is only the marvellous fertility of Fars which has hitherto saved the province from famine. Competent authorities doubt whether a famine can be eventually averted, unless the disorders are perceptibly diminished. The various tribal chiefs are everywhere levying taxes on their own account, and the authority of the Government is not recognised at all, even as a matter of form, in the greater part of the province.

I venture to invite your attention to Mr. Moir's remarks on the subject of Soulet-ed-Dowleh's behaviour towards Ibrahim Khan, of Surmeh. I am sure that all European travellers who have enjoyed Ibrahim Khan's courteous hospitality and protection will equally regret that the only capable, honest official engaged in the policing of the road should be subjected to such treatment by the brigand who is, apparently to the complete satisfaction of the Persian Government, masquerading as the warden of the roads. These incidents are occurring everywhere, and are due partly to Soulet's insatiable avarice and partly, perhaps, to his natural hostility towards all the partisans of order. For instance, on the Bushire road Mullah Khurshid, of Kamarij, has consistently kept order in his district, treated travellers with honour, paid his taxes, and governed his dependents with rude justice. Soulet-ed-Dowleh has for the last two years been doing his best to bring about the ruin of Khurshid and is now inciting Nizam-es-Sultaneh to attack Kamarij. It is hardly to be wondered that the most law-abiding persons are, in despair, taking to brigandage, which alone ensures them respect and peace.

I have, &c.

W. A. SMART.

Enclosure 3 in No. 28.

Memorandum respecting the Ispahan-Shiraz Road.

I LEFT Ispahan on the 3rd January. I found the road to Koomisheh in good order and undisturbed, but I was struck by the change in Mayar, which seven years ago—when I last travelled on this road—was a prosperous village, and is now practically deserted. From Koomisheh onwards my own charvadars and those of another small caravan which accompanied mine seemed to be living in perpetual dread of an attack by robbers, and I have no doubt that the fact that we got through to Shiraz safely is due solely to the intensely cold weather which prevailed, and to the very deep snow lying in the passes, where an attack might have been expected.

Between Koomisheh and Abadeh traces of the devastation worked by the Kuhgelus and the Boir Ahmedis last year were very apparent. The villages of Maksud Beg, Aminabad, and Shulgistan seemed to have been deserted by the greater part of the villagers; even the doors of the caravanserais, as also those of the caravanserai at Yesdikhast, had been torn down and presumably burnt by the robbers. Flocks were scarce and no crops had been sown, the villagers with whom I spoke telling me that they saw no object in keeping flocks and sowing crops for the robbers to carry off. The same conditions prevail between Abadeh and Sivend, although not to such a marked extent, and with the almost entire absence of caravans along the road during the past year, the condition of the villagers is one of great destitution.

Guards are very few and far between, and the few that one can obtain in various places would certainly be of no use in the case of an attack by robbers; in fact, I am convinced that they would refuse to accompany me if there were any danger of an attack. As a case in point, at Dehbid I managed to raise three sowars and five tufangchis to accompany me, but as there were rumours of the presence of robbers at Khaneh Kergoon—probably inhabitants of that place—my guards absolutely refused to go by that road, and I was compelled to go to a place called Abbasabad—quite off the beaten track—and thence to Dih Noh, a very much longer road. On my remarking that it is the duty of road-guards to go for any robbers they had news of, my guards apparently concluded that I was a little madder than other Firanghis they had had dealings with. At Dih Noh, where it is even more essential than elsewhere to obtain guards in order to get through the famous Tang-i-Bulak, I could only raise three Kurdshulis—notorious robbers. On my enquiring whether three of them were sufficient to see me through such a dangerous place they replied quite candidly:

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"Sahib, our own people are the robbers of this district; one of us is sufficient to see a caravan through if we wish!" Why they should have wished to see me safely through rather than loot my caravan is a mystery. As it was they would have exacted a very large sum from the small caravan which accompanied mine if I hadn't intervened and beaten down their demands. I am certain that if I had not been present, and the charvaders had not been able to stump up the amount demanded, the caravan would have been looted, partially at least. The fact is—as I learned on the road—that charvaders are almost as alarmed at the sight of a so-called road-guard as of an undisguised robber.

In Abadeh I learned that the visit of the Soulet-ed-Dowleh to that place last summer had been very unwelcome. The Kashgais got out of hand and apparently looted the people almost as badly as the Kuhgelus and Boir Ahmedis did later in the year. The only local headman who appeared to be making any serious attempt to keep his district in order was Ibrahim Khan, of Surmeh, and one is forced to conjecture that this was the reason which led Soulet to summon him to Abadeh and keep him in chains there until he had paid some thousands of toman!

In conclusion, I would say that I found not the slightest trace of any steps having been taken by the Persian Government to restore and maintain order on the road. The road will no doubt be temporarily secure for a month or so owing to the severe weather and the presence of Fath-ul-Mulk's troops. But when these troops reach Shiraz (I cannot learn that they are to be distributed among various stations on the road), and the tribes commence trekking to their Sarhad quarters, there is not the slightest reason to hope that the road will be in any better condition than last year. In my opinion, the only method to maintain order and to keep the road open is to have sowars patrolling the road, and to have small bodies of efficient, well-armed, and disciplined men posted at each stage on the road. By "disciplined" I mean more particularly men who will be content with their pay and will not harass charvaders in the manner of the old type of road-guard. That such men can be found in Persia, or that the Persian Government—even given the necessary money—would pay them well and regularly are aims which appear to have little prospect of attainment.

IAN MOIR.

Shiraz, February 2, 1911.

[13176]

No. 29.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 35.)

Sir,

Tehran, March 9, 1911.

IN continuation of my despatch No. 18 of the 20th February, and with reference to my telegram No. 65 of the 26th February, I have the honour to transmit herewith a summary, prepared by Mr. Churchill, of the Foreign Minister's speech delivered to the Medjliss on the 25th February, respecting Persia's foreign relations.

I have, &c.

G. BARCLAY.

Enclosure in No. 29.

Summary of Foreign Minister's Speech at the Medjliss, February 25, 1911.

AFTER referring to the desire expressed by some of the deputies that he should make a statement to them respecting Persia's foreign relations, the Minister for Foreign Affairs said that he did not wish to make any comment on those relations as they were before he took office, but he was happy to declare that his own experience, since he had become Foreign Minister, was that all the representatives of foreign Powers in Persia, especially those of the neighbouring Powers, were animated by sentiments of sympathy, friendship, and sincerity towards the new constitutional Government of Persia. After dwelling at some length on the satisfactory nature of foreign relations, the Foreign Minister referred to the friendly representations made by the foreign Powers to the Regent.

Turning to the relations of neighbouring foreign Powers with Persia, the Foreign Minister referred to frontier questions outstanding with Turkey. He said that in view of the friendly sentiments of the Turkish Government, their fair attitude in the matter

and the cordial assistance rendered by the Turkish Ambassador, he hoped that this question would be satisfactorily settled in due time. Relations with Great Britain were, he said, also very friendly. Some time ago the British Government had tendered them a note with regard to affairs in the south. The Persian Government had taken certain effective measures for the restoration of security in the south, and the British Government had expressed their satisfaction. His Majesty King George, on the occasion of the opening of the British Parliament, had referred in his opening speech to this question. "I need only refer the deputies to that speech in order to prove to them how sincere and friendly is the attitude of Great Britain to this country."

He further said that the British Minister was most sympathetic, and had given him valuable assistance.

Regarding relations with Russia the Foreign Minister stated that he had some important declarations to make. In the first place, he desired to say that the attitude of the Russian Government towards Persia was most friendly and cordial. The Russian Legation here, and all the Russian officials in Persia, always did their best to facilitate the transaction of current affairs, and never raised unnecessary difficulties. He then referred to the friendly attitude of the Russian Government towards the Regent, and to the assurances of co-operation and good-will which had been conveyed to the Regent by the Russian Minister on behalf of his Government. He then announced the intention of the Russian Government to withdraw their troops from Kazvin, and said that when the Russian Minister announced this intention on behalf of his Government, and he had communicated it to the Regent, the Persian Government had expressed their deep gratitude to the Russian Minister and the Russian Government. He then referred with satisfaction to the arrest by the Russian Government of two robbers who had fled to Russia, and of the intention to hand them over to the Persian authorities.

In conclusion the Foreign Minister dwelt upon the necessity of taking advantage of the good relations existing with all the foreign Powers, especially the neighbouring ones; and he spoke of the development of commerce, the influence of the press, and the essential need of better internal administration as a means of helping to consolidate these good relations.

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No. 30.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 37.)

Sir,

Tehran, March 4, 1911.

WITH reference to Mr. Marling's despatches Nos. 63 and 64 of the 26th April last, I have the honour to transmit herein three despatches from His Majesty's acting consul at Shiraz recording his appreciation of the services of Lieutenant G. H. Lang, R.N., of the Maxim detachment under that officer's command, and of the sepoy detachment, all of whom were sent up to Shiraz from the coast in the summer of 1909.

Mr. Smart has been in charge of His Majesty's consulate for a year, and it is satisfactory to read that the opinion he has formed of the men in question shows that the high praise of them given by Mr. Bill has continued to be so well merited.

I therefore venture to hope that the several appreciations contained in Mr. Smart's despatches may be brought to the notice of the departments concerned for such action as it may be considered desirable to take on the subject.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 30.

Acting Consul Smart to Sir G. Barclay.

(No. 7.)

Sir,

Shiraz, February 7, 1911.

BEFORE leaving Shiraz I wish to express my gratitude for the services rendered at Shiraz by Lieutenant G. H. Lang, R.N., who brought up the Maxim detachment in August 1909 and is now returning to the coast with me.

I confess that, in view of my ignorance of matters military, it was with some anxiety that, on taking up my post here last April, I viewed the prospect of having a detachment of troops stationed at His Majesty's consulate. My fears, however, proved quite groundless, and the presence of the troops has never given me the slightest anxiety. My tranquillity has been due to Lieutenant Lang, who, besides managing his

own men without any troublesome incidents, has consistently helped me in my dealings with the sepoy detachment and the sowar escort. I am at a loss to know what I should have done but for his help in matters relating to the management of the sepoys and sowars. Moreover, Lieutenant Lang, besides relieving me of all anxiety on account of the troops, has helped me in a variety of matters unconnected with the detachments, and I have greatly profited by his competent advice in affairs connected with my work proper. He has also relieved me of much of my office work, and it is thanks to his spontaneous assistance that I have been able to get through the very heavy work of this consulate during a year in which I have been frequently handicapped by ill-health.

I venture to hope that your Excellency will bring to the notice of the Admiralty Lieutenant Lang's excellent services here, which have so largely contributed to the satisfactory record of the first contingent of British troops stationed at Shiraz.

I have, &c.

W. A. SMART.

P.S.—It will be remembered that my predecessor, in his despatch No. 16 of the 2nd April last, expressed his satisfaction with the services rendered by Lieutenant Lang and the Maxim detachment on the forced march to Shiraz and after their arrival here.

W. A. S.

Enclosure 2 in No. 30.

Acting Consul Smart to Sir G. Barclay.

(No. 8.)

Sir,

Shiraz, February 7, 1911.

BEFORE leaving Shiraz I wish to bring to your notice the excellent conduct of the Maxim detachment which came up from His Majesty's ship "Sphinx" in August 1909 and is now leaving Shiraz with me for the coast.

The sojourn at Shiraz has, owing to the absence of customary comforts, any regular work or exercise, been extremely irksome for the five marines of this detachment. The unhealthy summer at Shiraz has, moreover, been very trying for them. In spite of enforced inactivity and hardships, they have never given the slightest trouble. Their conduct towards Persians has always been admirably restrained, and not only have they never provoked any complaints, but they have even become quite popular among the natives. In view of the delicate position of foreign, Christian troops in a Mussulman country, I venture to think that this happy state of affairs reflects special credit on the marines.

In a detachment in which the conduct of all has been so good I feel some difficulty in signalling out any one for special praise. I cannot, however, refrain from noting the skill with which Sergeant Delahaye has managed his men and tactfully averted any misunderstandings with the natives. The armourer's mate, Thomas Keen, has been invaluable. Thanks to him the rifles of all the troops stationed at the consulate have been kept in order, while frequent repairs of different kinds, often of a very delicate nature, have been executed by him both for myself and the European colony. His departure will be a great loss to us all. I venture to hope that it may be possible for the Admiralty to accord him some mark of recognition for his services here.

I have, &c.

W. A. SMART.

P.S.—It will be remembered that my predecessor, in his despatch No. 16 of the 2nd April last, expressed his satisfaction with the services rendered by the Maxim detachment on its forced march to Shiraz and after its arrival here.

W. A. S.

Enclosure 3 in No. 30.

Acting Consul Smart to Sir G. Barclay.

(No. 9.)

Sir,

Shiraz, February 7, 1911.

BEFORE leaving Shiraz I wish to bring to your notice the admirable conduct of the native detachment which, after being stationed at Shiraz since August 1909, is now about to return with me to Bushire.

I feel some diffidence in appreciating the services of a military contingent, but I

think that for the special service required of this detachment I can speak with some competence. Before coming to Shiraz, I was at a post where my unfortunate Russian colleague was distracted by perpetual complaints from the Persian authorities and people regarding the behaviour of the Russian troops at Tabreez. During the whole of my stay at Shiraz I have not received a single complaint, official or unofficial, regarding the sepoy detachment stationed here. I submit that this is a surprising record for a detachment of foreign troops stationed in a country where the natives are of a different religion. I cannot speak too highly of the behaviour of the individual sepoys, and, as for the subedar, Khandu Jadov, his management of his men has been irreproachable. He has never given me the slightest trouble, and settled everything himself smoothly and tactfully. Persians have often remarked to me that the presence of the detachment was hardly noticeable. I venture to think that this is the highest praise that could be given to the subedar and his men.

I venture to hope that you will bring the above appreciation of the sepoy detachment to the notice of the Government of India and suggest, for their favourable consideration, the desirability of according to Subedar Khandu Jadov some special recognition of his services. He has to retire compulsorily in a year's time and cannot perhaps be rewarded by promotion, but possibly the Government of India might be willing to bestow on him some decoration which would involve an increase in his pay and pension.

It will be remembered that my predecessor, in his despatch No. 17 of the 2nd April last, expressed his satisfaction with the services rendered by the detachment and the subedar on the forced march to Shiraz and after their arrival here.

I have, &c.

W. A. SMART.

[13179]

No. 31.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 38. Confidential.)

Sir,

Tehran, March 19, 1911.

WITH reference to my telegram No. 33 of the 2nd ultimo, I have the honour to transmit copy of a despatch from His Majesty's consul at Ahwaz preferring a serious complaint against Mr. Ritchie, who, Mr. Ranking feared, was about to be appointed general fields manager of the Anglo-Persian Oil Company, in succession to Mr. Reynolds, who is retiring.

I have read this despatch confidentially to Mr. Greenway, who is now in Tehran, and I find that he has a very high opinion of Mr. Ritchie. Mr. Greenway admits that Mr. Ritchie may be lacking in tact, but he has been given a serious warning, and Mr. Greenway thinks that he will be more careful in future.

In these circumstances I have refrained, notwithstanding Mr. Ranking's formidable indictment of Mr. Ritchie, from advising Mr. Greenway to procure the dismissal of Mr. Ritchie, who has, I understand, been appointed representative at the oil-fields of Messrs. Strick and Scott, the company's agents at Mohammerah, and not general fields manager.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 31.

Lieutenant Ranking to Sir G. Barclay.

(No. 5.)

Sir,

Ahwaz, January 27, 1911.

IN continuation of my telegram No. 2, dated 19th January, 1911, I have the honour to enclose herewith, for your Excellency's information, copy of a despatch No. 9, dated the 26th January, 1911, addressed by me to the Political Resident in the Persian Gulf, Bushire, on the subject of the appointment of a successor to Mr. G. B. Reynolds as general fields manager of the Anglo-Persian Oil Company (Limited).

I have, &c.

J. RANKING, Lieutenant, I.A.

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Enclosure 2 in No. 31.

Lieutenant Ranking to Lieutenant-Colonel Cox.

(No. 9. Confidential.)

Sir,

Ahwaz, January 26, 1911.

I HAVE the honour to forward herewith post copy of this office telegram No. 2 to His Majesty's Minister, Tehran, on the subject of the appointment of a successor to Mr. G. B. Reynolds as general fields manager.

I would here put on record that I look with the greatest apprehension to the appointment of the said Mr. Ritchie to the sole charge of the fields, and that in a confidential conversation on the afternoon of the 22nd instant I warned Messrs. Greenway and Hamilton, directors of the Anglo-Persian Oil Company, of my apprehension, and of the results which I fear are attendant on this man's appointment.

The Lurs, violent and unrestrained in their passions, may become a positive menace if badly treated and mishandled. We are further confronted with the fact that the Lurs are out of hand, and do not fear their chiefs as formerly, as is shown by recent events in the Bakhtiari country.

Further, from information received, I understand the Lurs in the vicinity of the oil-field have already had a taste of some of Mr. Ritchie's methods, and, in consequence, bear him no good-will. To quote an instance—Mr. Ritchie, being a crack shot, has on occasions, in order to show off his prowess, shot sheep dogs owned by the tribesmen, who very naturally were annoyed, one of whom even threatened violence in revenge.

Constant complaints are coming into this consulate of Mr. Ritchie's methods and his treatment of natives, among which I may mention two protests by the deputy governor with regard to unfair treatment of natives with regard to money due to them, and two complaints by British Indian subjects of assault, the second of which I consider specially aggravated by the fact that the assault took place within the consulate precincts, on a British Indian subject who had to come to the consulate to lodge a complaint against the said Mr. Ritchie.

Further, on the 20th instant Hadji Seyyid Hussein, one of the leading merchants of Ahwaz, who is the Sheikh of Mohammerah's local agent, and an influential seyyid, came to complain with regard to Mr. Ritchie's treatment of himself, with regard to a sum of money due to him by Mr. Ritchie's department, during the conversation regarding which he complained of being struck by Mr. Ritchie. Hadji Seyyid Hussein is a fanatic, in addition to commanding much influence and respect among local people. I did my best to smooth matters over, but unless amends are made he may give trouble.

Another complaint of non-payment of dues was lodged by the Nazim-ut-Tujjar to-day, who is the nephew of the Muin-ut-Tujjar of Tehran, and another influential man.

On another occasion Mr. Ritchie called an Arab seyyid a "peder sukhta" and a "peder sag" (terms of abuse), just because the man refused to hire his boat to Mr. Ritchie for less than 20 krans, when Mr. Ritchie wanted to pay 10 krans. Had the seyyid taken exception to this abuse, and called Mr. Ritchie names in return, there would have been serious trouble on the spot.

The above samples show Mr. Ritchie's methods with natives, and I fear the Lurs, if exposed to this form of treatment, would cause serious trouble at the fields.

Here, in Ahwaz, the name of the Pipe Line Department, which is in Mr. Ritchie's charge, stinks in the nostrils of both great and small, to such an extent even that I hear the said department have to apply to the Anglo-Persian Oil Company's local office to engage drivers for them, and that when the drivers hear for whom they are being engaged they say "no thank you."

I need not point out the harmful, not to say disastrous, effect of any British institution stinking thus in the nostrils of public opinion. Politically, it detracts from the British good name, and, in cases where violence has occurred among a fanatical population, might be attended with grave danger to Europeans. Commercially, if the name of the Anglo-Persian Oil Company stinks in the various labour markets whence they draw their labour, they will either get no labour at all or will only get inferior labour at superior prices.

In the confidential conversation mentioned above, I further gathered from covert hints thrown out by Mr. Hamilton that the company intend to remove their present local manager, Mr. Bottomley, from Ahwaz. Although I should not presume to dictate to the directors with regard to the movements of their various employés, yet I would say that I consider the move an unwise one. Mr. Bottomley, a man of over twenty years' experience in this part of the world, has done much to pour oil on the troubled

water of public opinion, and to stem the tide which is running fast against the Anglo-Persian Oil Company. If he is removed and a young man of no Eastern experience put in his place, there will be no one to counterbalance, even in the smallest degree, the harmful effect of Mr. Ritchie's methods on public opinion.

Mr. Ritchie is no favourite with Europeans either. I know for a fact that Messrs. Lynch's Ahwaz agent has said that should Mr. Ritchie be put in sole charge here he will request that Messrs. Lynch Brothers' business with the Anglo-Persian Oil Company be transacted through some other of the company's agents. Discontent may have been rife in the past among the Europeans at the oil-field, but I foresee trouble also among them in the future, under this new régime. Although I warned the directors, as mentioned *supra*, from the interview I formed the opinion that they had firmly determined to put Mr. Ritchie in charge, and had no intention of listening to warnings.

I happen to know that Mr. Ritchie has been working to get the sole charge for the last seven months, and to my mind the situation in a nut-shell is this: the directors of the Anglo-Persian Oil Company are the nuts, the pipe line the nut-crackers, and Mr. Ritchie the man operating the said nut-crackers.

In the interests of British relations with the Bakhtiaris in general, and in the interests of the Anglo-Persian Oil Company in particular, I would most strongly recommend that representations be made in the proper quarter to effect a change in this appointment, which I consider fraught with the greatest danger. On the return of Messrs. Greenway and Hamilton I shall again do my best to warn them against this grave administrative blunder.

I have, &c.

J. RANKING.

[13181]

No. 32.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 40.)

Sir

Tehran, March 20, 1911.

IN my telegram No. 82 I reported that Sipahdar had succeeded in forming a Cabinet. Its composition is reported in a separate despatch.

Before introducing the Ministers to the Medjliss on the 11th instant Sipahdar read to the House an address, in which he referred to the confusion and mismanagement of affairs which had characterised the period since the meeting of the Medjliss. He spoke of the insecurity and disturbances in the provinces, and said that even in the capital there was no security, and people were murdered in broad daylight. In the Government departments there was complete disorganisation. The Ministers could not enforce discipline, as it would at once provoke complaints in the press, with which the Government lacked power to deal. What was wanted was wider powers for the Cabinet and a cessation of interference by the Medjliss with the Executive. He had accepted office, but wished to know what powers would be given him to deal with the situation, for without the necessary authority he could not undertake to serve his country.

An appeal for "full powers" figures prominently in the Cabinet's programme submitted to the Medjliss, of which I enclose a summary prepared by Mr. Churchill. This programme was discussed by the Medjliss on the 16th instant. After an animated debate on party lines, the programme was voted by a majority of 30, the votes being 47 for and 17 against, 9 members abstaining.

It will be interesting to see what use the Cabinet will make of the indefinite powers now accorded them.

It is satisfactory to note that the Cabinet announce their desire to maintain cordial relations with the friendly Powers and their intention to proceed with the Imperial Bank's loan.

Much of the rest of the programme has done duty before, and one can only hope that the present Cabinet will be more successful than was the last in carrying out the reforms foreshadowed. They start with a strong majority, and in this respect at least they are in a more favourable position than was the Cabinet of Mustaufi-ul-Memalik, which could only count on some twenty consistent supporters in the Medjliss.

I have, &c.

G. BARCLAY.

Enclosure in No. 32.

Sipahdar's Programme submitted to the Medjliss, March 11, 1911.

THE preamble declares that the actual condition of affairs calls for extensive reforms, and that for this purpose the Government must be given wider powers.

The following matters are then dealt with, and are described as being the principal questions requiring immediate attention:—

1. Terrorism and sedition, which are opposed to the constitutional system and impede the proper functions of the Government. The dangers to the State arising from these causes are dwelt upon, and full powers are stated to be essential in order to deal effectively with this trouble.
2. The necessity of punishing criminal and civil offences.
3. The necessity of improving the Government administrations, and of bringing about proper discipline among the military and civil servants of the Government.
4. The necessity of carrying out the press laws. In this connection, while adhering to the principle of a free press, it is urged that abuses must be dealt with, and for this purpose wider powers are required by the Cabinet.

The deputies are asked whether they agree with the above principles, in which case the programme of the Cabinet will be laid before them. In view, however, of the dangers which threaten the country, the Cabinet expects the support of the House, and will willingly resign if they do not receive it.

The Programme.

1. The improvement of public security.
2. The organisation of expeditionary forces and garrisons at certain points, in accordance with the memorandum and the budget which have been laid before the Medjliss.
3. The maintenance of cordial relations with the friendly Powers.
4. The continuation of the loan negotiations which have already been undertaken by the former Cabinet and put before the House, and have been approved by the committee for financial laws.
5. The submission of a general budget.
6. Financial reforms with the help of foreign employés.
7. The reconsideration of the tax on salt, in order to remove the difficulties which have been caused by its imposition both for the Government and for the people.
8. The formation of a special committee to draw up temporary laws in cases where laws have not yet been passed, and when it is not practicable to wait for them to be passed in the ordinary way. These temporary laws will only require the approval of a committee of the Medjliss, the sanction of the Cabinet, and the signature of the Regent.
9. The reform of the judicial administration.
10. The reform of elementary and secondary schools which now exist. As far as possible, to carry out an identic programme in all schools. To institute a college for training teachers at Tehran, in accordance with proposals which will subsequently be submitted.
11. The promotion of commerce.
12. The improvement of the municipal laws.

[13182]

No. 33.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 41.)
Sir,

Tehran, March 20, 1911.

I HAVE the honour to inform you that the Persian Government have again requested me to furnish them with the accounts of the expenditure incurred on the construction of the Central Persian telegraph line, as provided by articles 3 and 4 of the convention of 1901, and I transmit herewith copy of a note which I have addressed to the Persian Government in conformity with the instructions contained in your despatch No. 4 of the 17th January, 1910, presenting the accounts in question.

It will be observed that the establishment charges incurred under article 2 of the

convention have also been submitted to the Persian Government. It will be remembered that, in my telegram No. 100 of the 10th March, 1910, I recommended the abandonment of this claim for fear that its presentation might prejudice the ratification by the Medjliss of the Arabistan Convention. The India Office deprecated its abandonment altogether, and suggested that it might be presented at a later date (see your telegram No. 69 of the 23rd March, 1910). The Director of the Indo-European Department, however, considers that the relations between the Persian Government and the Medjliss have recently so changed that whatever chances there are of the ratification of the Arabistan Convention will not be affected by the simultaneous presentation of the two accounts, and that it is now unnecessary to weaken our claim for the reimbursement made for the salary of the staff by withholding it till after the acceptance by the Persian Government of the capital account for the construction of the line.

I have, &c.

G. BARCLAY.

Enclosure in No. 33.

Sir G. Barclay to the Persian Government.

M. le Ministre,

Tehran, March 18, 1911.

I HAVE had the honour to receive your Excellency's note of the 12th February, in which you request, in conformity with article 3 of the convention of 1901, that a statement of the expenses incurred by the British Government for the construction of telegraph line between Kachan and the Baluchistan frontier and the materials used therein should be furnished to the Persian Government.

In reply, I have the honour to transmit to you the accounts in question and, in accordance with the instructions I have received from His Majesty's Secretary of State for Foreign Affairs, to explain—

- (a.) That the accounts of the expenditure on the work have been kept, like the ordinary accounts of the Indo-European Telegraph Department, in Indian currency.
- (b.) That for the payments in Persia made in krans the rates of exchange between krans and rupees prevailing at the time of the payments have been taken.
- (c.) That the payments in England in pounds sterling have been taken at the exchange of 1l. being equivalent to 15 rupees.
- (d.) That the rate of exchange for francs has been taken as 25 fr. being equivalent to 1l.

It will be observed that the account of the capital cost of the Central Persian telegraph line amounts to rupees 18,76,215 : 5 : 3. This amount is equivalent to 125,081l. 0s. 5½d., or 3,127,025·525 fr. The annual rental payable under article 4 of the agreement to the Persian Government for the use and the transit revenue of the line at 4 per cent. on its capital cost will therefore amount to 125,081·021 fr. Under the same article three-quarters of this amount, or 93,810·76575 fr., will be retained by the British Government, and the balance, 31,270·25525 fr., will be paid annually to the Persian Government in two half-yearly instalments. Your Excellency will doubtless agree with me that it would be of advantage that the fraction of a franc should be excluded in these payments, and that the half-yearly payments should be 15,635 fr. This rental is due as from the 1st July, 1907, the date on which the construction of the telegraph line was completed, and the first half-yearly payment fell due on the 1st January, 1908. The payment then made was at the minimum rate of 12,500 fr. per half-year. Further similar payments were made on the 1st July, 1908; the 1st January, 1909; the 1st July, 1909; the 1st January, 1910; the 1st July, 1910; and that for the 1st January, 1911, is only awaiting the receipt of the Persian Government.

On these seven payments there is a balance due to the Persian Government of 21,945 fr., the difference between the 12,500 fr. actually paid each time and the 15,635 fr. now shown to be due as the half-yearly payment. This sum will be placed at the disposal of the Persian Government as soon as I learn from your Excellency that the capital account as herein presented has been accepted by the Persian Government.

I take this opportunity of also presenting to your Excellency a statement showing the amount of the advances made by the British Government, under article 2 of the same convention, to the Persian Government for the salaries and allowances of the staff actually employed on the construction of the Central Persia line. This account amounts to rupees 96,561 : 4 : 11, the equivalent of 160,935 fr.

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I am to add that, in connection with the provision of telegraph offices and buildings along the Central Persia line, there has been some expenditure under article 6 of the convention. A separate account will be prepared of this expenditure and submitted to the Persian Government in conformity with the note from your department, dated the 5th April, 1904.

I avail, &c.
G. BARCLAY.

[13183]

No. 34.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 43. Confidential.)

Sir,

Tehran, March 21, 1911.

IN amplification of my telegram No. 82 of the 11th instant, I have the honour to say that the new Cabinet presented to the Medjliss on the 11th instant is composed as follows:—

Premier and Minister of War ...	...	Sipahdar-i-Azam.
Minister for Foreign Affairs ...	...	Mohtashem-es-Sultaneh.
Minister of Interior ...	...	Mustashar-ed-Dowleh.
Minister of Justice ...	...	Mushir-ed-Dowleh.
Minister of Posts, Telegraphs, and Commerce	...	Moavin-ed-Dowleh.
Minister of Finance ...	...	Mumtaz-ed-Dowleh.
Minister of Education ...	...	Ala-es-Sultaneh.

There is no doubt that Sardar Assad played no unimportant part in bringing about the Sipahdar's premiership, and though the Regent pressed him to take office as well, he wisely refused to do so, pleading ill-health and a desire to go to Europe to receive medical treatment. Though it is ostensibly by the choice of a majority of the Medjliss that Sipahdar was chosen as Premier, the Regent made it abundantly clear that if the choice of the majority fell upon Sipahdar their decision would meet with his own inclinations. The "Times" leader of the 28th February in fact expressed the situation very accurately in saying that "when entrusting the reconstruction of the Persian Ministry to the Sipahdar he (the Regent) gave a very clear indication of his own confidence in the friendly assurances of the Russian Government." It is perfectly true that the Sipahdar is very closely associated in the mind of the public generally with Russian interests, and though it is perhaps not quite accurate to say that he is a Russian protégé, he at any rate enjoys a great measure of Russian confidence, and his relations with the Russian Legation are very close. This is, moreover, quite natural, as Sipahdar's immense estates are chiefly in Mazanderan, and are nearly all situated in the Russian zone. His financial dealings with the Russian Bank, which collects the whole of his output of rice in Mazanderan, and to whom he owes a considerable sum of money, are very great, and entitle the Russian Legation to look upon him and his interests as particularly within their sphere.

A good deal has already been written at one time or another regarding Sipahdar's character and political leanings, so perhaps I need not trouble you with any further reference to them. It may suffice to say that he cannot be fairly described as being a man of much firmness of character, and that his reputation for integrity and patriotism do not stand very high in the estimation of his countrymen. My Russian colleague has, however, so far not had to complain of his untruthfulness, and that at any rate is something in his favour.

The Minister for Foreign Affairs, Mohtashem-es-Sultaneh, who remains in office in the new Cabinet, has had many years' experience in the Foreign Office, and has, since he succeeded Hussein Kuli Khan, shown a marked desire to be as friendly as possible to the Russian and British Ministers, wishing no doubt to show that, if his predecessor's relations with the foreign legations, and especially the two most important ones, were at times somewhat strained, the fault lay not so much with the foreigners as with the Foreign Minister himself. His speeches in the Medjliss, which were reported at the time, were directed to this, and I must admit that he has seen his way to carry his words into deeds on several occasions, and notably in the case of the compensation for the attacks on the Russian consul-general at Bushire and His Majesty's consul at Shiraz.

The Ministers of the Interior, of Justice, and of Finance are all three taken from the Medjliss, where they have played conspicuous rôles both as debaters and, in the case of Mustashar-ed-Dowleh and Mumtaz-ed-Dowleh, as speakers. They are all three men of an entirely modern type in Persia. Having been educated in Europe, they all speak French, and may be described as representatives of the Young Persian school, though they have preferred not to identify themselves with Hussein Kuli Khan's party of extreme nationalists known locally as the Democratic party.

The Minister of Posts, Telegraphs, and Commerce and the Minister of Education are men of a somewhat different stamp to those above described.

Ala-es-Sultaneh and Moavin-ed-Dowleh have both resided in Europe as diplomatic representatives of Persia; the former was in London for many years and the latter was for some time in the Balkans. Ala-es-Sultaneh's long residence in Europe has at any rate done little to modernise him, and it is not likely that he will have the capacity or energy to introduce the reforms and improvements which are so much needed in the Department of Public Instruction.

As to Moavin-ed-Dowleh, it can only be said that while Minister for Foreign Affairs in 1910 he proved entirely incapable, and the diplomatic body was much relieved when he retired from office.

I have, &c.
G. BARCLAY.

[13184]

No. 35.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 44.)

Sir,

Tehran, March 22, 1911.

WITH reference to my despatch No. 40 of the 20th instant, I have the honour to transmit a summary compiled by Major Stokes of the debate in the Medjliss on the occasion of the voting of the new Cabinet's programme on the 16th instant. Nasr-ul-Mulk's efforts to bring about the formation of an organised majority in the Medjliss have proved so far successful, that for the first time in the history of the Persian Parliament there now exist two united parties. Except for the small party of "Democrats" or ultra-Nationalists such groups as previously existed were formed round prominent individuals such as Sipahdar, Sardar Assad, Ain-ed-Dowleh and Farman Farma, but the Regent's efforts have brought about the grouping, for the moment at least, of one main party in support of the present Cabinet. It will be interesting to see how long this majority will hold together. It should be mentioned that the Democrats are a good deal handicapped by the loss of their most prominent members. Sani-ed-Dowleh's death, the absence of Taki Zadeh in Europe, and the temporary effacement of Hussein Kuli Khan and Assadullah Mirza, who had to vacate their seats in July in order to join Mustaufi-ul-Mamalek's Cabinet and have not yet been re-elected, have deprived the party of a certain measure of its strength. Moreover, it may be foreseen that the Regent, who views the Democrats with great distrust, will do his utmost to secure the continued cohesion of the majority. It may therefore last longer than its somewhat artificial origin might lead one to expect.

I have, &c.
G. BARCLAY

Enclosure in No. 35.

Summary of Debate in the National Assembly on March 16, 1911.

ALL the Ministers being present, the programme of the Cabinet was discussed.

The first article of the preamble was read, in which "plenary powers" for the suppression of the elements of disorder and terrorism were asked for.

Hashtrudi (Democrat) said experience showed that the powers of the Government were always misapplied and the object desired not obtained. It must, therefore, be made a condition with the Ministers that they would not misapply the powers and money of the Government, and would not entrust to self-interested persons the suppression of the elements of disorder and terrorism. On these conditions they could cordially give them plenary powers, but otherwise not.

Iz-ul-Mamalek (Ministerialist) was of opinion that plenary powers were a small

matter; the fullest powers should be given for the suppression of the elements of disorder and terrorism, and everyone who opposed this was an abettor of "terror."

Muhammed Hashim Mirza (Democrat) said that the statement of Iz-ul-Mamalek was inappropriate. Neither he himself nor anyone else abetted terror. What was desired was the regulation of the execution of measures against terrorism. Were they going to seize and punish anyone they pleased on the charge of being a terrorist? All the deputies were unanimous in wanting this "terror" suppressed, but as to plenary powers which the Ministers had asked for, they could never give them more power than the fundamental laws gave them.

Haji Sheikh-ul-Reis (Ministerialist) said that, having confidence in the Ministers, he willingly offered them full powers.

Sipahdar (Prime Minister): "In order to remove a misapprehension I say that our Throne is national, our Government is national. We, too, are asking the nation for powers in order that we may work for its security and comfort and freedom. We have not come sword in hand demanding powers. Although we obtained it (power) with our swords, still we made a present of it to the nation. Now if you have confidence in us, you ought to accede to our requests, otherwise we have nothing to say. I say, 'May your shadow never grow less, and I go.' (The Prime Minister, putting his hand to his breast, bowed and left the tribune.)

Mustishar-ed-Dowleh, Minister of the Interior, said the powers asked for were not the imaginary artificial despotism some gentlemen had pictured. He referred to the disorders in the country, and compared the present condition of the capital to a spring scene in a theatre in the depth of winter. In a theatre the audience were delighted at the sight of the flowers, &c., but when they came out they found snow and cold and all the dangers of winter, as would any person who left the relative tranquillity of the capital for the provinces. Unless plenary powers were given the foundations of constitutionalism would disappear and the elements of disorder would remain. In the past few days the life of the Prime Minister had several times been in danger, and the precautions taken alone prevented the success of the attempts.

Suleiman Mirza (leader of the Democrats) said that the suppression of the elements of disorder was undoubtedly necessary, but he did not consider it necessary that plenary powers should be asked for to suppress any of them. Who was against the punishment of a man who had attempted the life of a Minister or a deputy? If they had punished this man, who, they said, wished to attempt the life of the Prime Minister, what law would have stopped them? What deputy would have interpellated them? Security of life and property was one of the obvious foundations of the fundamental laws. To secure the punishment of offenders plenary powers should not be necessary. The law was sufficient, but plenary powers meant "do as you please." The expression "elements of disorder" was confusing. Everyone understood something different by it. For example, the Liberals consider the Conservatives "elements of disorder" and *vice versa*. When the former Cabinet was given plenary powers their scope was first defined—(1) that they were for disarmament, and (2) their duration was fixed. But here the Cabinet were asking for undefined powers which were tantamount to the suspension of the assembly. What was wanted must be more clearly defined. The Prime Minister might declare, "If you will not give plenary powers, goodbye," or the Minister of the Interior might say, "Fars is in disorder, Azerbaijan is in disorder, Tehran will soon be in disorder." These answers would not suffice; they must have clearer explanations.

Muhteshem-es-Sultaneh, Minister for Foreign Affairs, referred to the recent unpunished assassinations, and said that the object of the Cabinet in asking for plenary powers was merely for the suppression of the present terrorism. It was impossible to enter into minute details as to the powers required or to give a period for their exercise. There was no question of their exercise being dictated by personal motives. He expressed his surprise that there should be members who defended terrorism.

The President took exception to this remark, and declared that there was no one in the assembly who defended terrorism.

Eventually, after prolonged and heated discussion, the minority entirely opposing the grant of plenary powers, while the Ministerialists supported the request of the Ministers, votes were taken, and the request of the Ministers was approved by a majority of 50 votes.

The remaining articles of the preamble were discussed at less length and voted *seriatim*, the part attracting most attention being that relating to the press. The Opposition speakers did not attempt to deny that the freedom of the press had been abused, but declared that the fault lay with the imperfections of the courts of justice,

and the remedy was to be found not in removing press cases from the ordinary courts, but in the reform of the latter.

After the articles of the preamble had been voted the programme itself was read, and after some further discussion voted by a majority of 48 to 18, there being 9 abstentions. The leader of the Democrats, Suleiman Mirza, dealing with article 3 which referred to the maintenance of cordial relations with foreign Powers, took occasion to announce that his party's policy was one of resistance to foreign encroachment. His party realised fully how critical was the condition of their country, but under no conditions would they favour a subservient foreign policy.

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No. 36.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 45.)

Sir,

Tehran, March 22, 1911.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.

G. BARCLAY.

Enclosure in No. 36.

Monthly Summary of Events in Persia from February 22 to March 22.

Tehran.

The Medjliss.—At the sitting of the 23rd February, while Suleiman Mirza, the leader of the Democratic Minority, was making a speech which seemed likely to raise a good deal of party feeling, the new president, Momtaz-ed-Dowleh, brought a letter from the Regent enclosing a memorandum dealing with the principles of parliamentary government, which he caused to be read. The paper covered much the same ground as the Regent's subsequent address and was received with applause by the majority.

On the 25th February, the Minister for Foreign Affairs made an exhaustive and very satisfactory speech respecting Persia's foreign relations, which has been fully reported in a separate despatch.

On the 4th March the Regent took the oath and delivered an address, a summary of which was given in Sir G. Barclay's despatch No. 23 of the 7th March. At this sitting, Sipahdar's acceptance of the Premiership was announced by the Regent.

On the 7th instant, the resignation of Momtaz-ed-Dowleh from the Presidency of the Medjliss was read, and Morteza Kuli Khan, the Deputy Speaker, took the chair.

On the 9th March, Motamin-ul-Mulk was unanimously elected to the chair, and on the 11th Sipahdar introduced his Cabinet. He at the same time delivered an address and submitted his programme, both of which are dealt with in separate despatches.

The sitting of the 16th March was devoted to a debate on the new Premier's programme, which was eventually put to the vote and agreed upon by a majority.

G. P. CHURCHILL.

Tabreez.

The Governor-General has announced that it is intended to form a properly equipped force of 5,000 men, viz., 3,600 infantry, 1,000 cavalry, and 400 artillery. The roads are reported to be safe, but the severe weather in the early part of February in some cases interrupted communications.

Astara.

With reference to Sir G. Barclay's telegram No. 74 of the 6th March, 1911, His Majesty's vice-consul at Resht reports that he learns from reliable sources that Hussein Kuli, Shahsevan, who was in the habit of plundering caravans on the Astara-Ardebil road, attacked one of the Russian posts, stationed on the road for the protection of trade, and killed two soldiers and wounded an officer. Furthermore, the bodies of

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two Cossacks who had disappeared were found terribly mutilated; 600 to 700 Russian troops crossed the frontier, part forming a cordon along it and round Persian Astara and preventing access to Russian territory, while part surrounded the hills where Hussein Kuli and his men had taken refuge. Fighting took place, in which one Russian soldier was wounded and several brigands were reported killed and wounded. According to the Russian consul-general at Tabreez, 1,500 Russian troops have been moved up to Russian Astara.

Resht.

1. The Deputy Governor of Talish Dulab recently asked permission to resign on account of the disturbances in his district, which he attributed to the intrigues of a Persian employé of the Russian consulate at Resht, who was sent to Shefarud to settle the claims of some Russian subjects, and of Sardar Amjad, who enjoys Russian protection.

2. Moayyer-ul-Mamalek has resigned the post of Governor-General of Ghilan, and has been succeeded by Sardar-i-Motamid. At the end of February telegrams were received at Resht from Hamadan and Kashan, instructing merchants to stop all further consignments of Russian sugar. A few days later, however, the Cabinet telegraphed informing the people that the Russian Government had decided to withdraw their troops from Kazvin and deprecating the adoption of unfriendly measures. A road guard who was shot by two Russian subjects died on the 3rd March and was accorded a military funeral.

3. It is reported that in the district of Raniki the villagers, instigated by Amir-i-Assad, son of Sipahdar, deprived the tax collectors of all the money they had collected for the Government.

4. On the 17th March, the Russian troops from Kazvin were reported to be leaving Resht in detachments for Russia. A consular guard of seventy-seven Cossacks has been left at Kazvin.

Mashed.

After the flight of the rebels and the entry of the governor into Darragez, the Russian consul-general recommended the withdrawal of the Russian Cossacks from Godan. The Governor-General, however, opposed their withdrawal, and begged that the Cossack detachments at Darragez and Kuchan might also be retained, declaring that unless they remained he could answer for nothing. Major Sykes reports that Sahib Ikhtiar is showing considerable tact and capacity, but takes bribes in the old way. Juju, the rebel leader at Darragez, and his brother fled into Russian territory, but were arrested by the Russians and are to be handed over to the Persian Government. The murderer of an Ismaili at Nishapur escaped while being brought to Meshed. Major Sykes is of opinion that the protection of Ismailis will be much facilitated when, as has been promised by the Persian Government, Nishapur is placed under the Governor-General of Khorassan, and the Minister for Foreign Affairs has promised His Majesty's Minister to effect the desired change. Towards the end of February robbers from Fars were reported to be attacking the districts round Tabbas. Petty robberies were numerous all over the province. The Kain roads were quite unsafe owing to raids by Seistani Baluchis.

Seistan.

1. Between the middle of January and the middle of February a band of Seistani Baluchis was engaged in raiding in Seistan and the Kainat. At Khur, 40 miles west of Birjand, they looted a number of sheep and camels, and killed the deputy-governor of Khur and three of his men who went out against them. They then moved north-west and plundered a caravan going from Kerman or Yezd to Meshed. They were said to have twelve to eighteen captured women with them. They also completely wrecked and looted the village of Deh Salam, 50 miles south-west of Neh, carried off several hundred camels and killed several camel men. The band was said to number 350 men. It is beyond question that Hashmat-ul-Mulk, deputy-governor of Seistan, is the instigator of these raids and receives a fifth share of the booty. His object is to cast discredit on Shaukat-ul-Mulk. Major O'Connor and his Russian colleague invited Hashmat-ul-Mulk to an interview in order to admonish him. He declined the invitation, but has since, under instructions from Tehran, received the two consuls. Towards the middle of February the state of the roads was a little better. As a result of constant representations from Major O'Connor and Mr. Howson, Shaukat-ul-Mulk and Hashmat

ul-Mulk had placed road guards on the main trade routes used by Indian traders. Off the main road brigandage was rife.

2. The post of British vice-consulate at Kuh-i-Malik Siah has been abolished. A news-writer and trade agent has been appointed instead.

3. During 1910, 18,146 cases were treated and 533 operations performed in the Seistan consulate hospital, while 12,864 cases were treated in that of Birjand. For January 1911 the figures were—Seistan 1,374 and 49 operations, Birjand 998 cases.

Ispahan.

The town has continued quiet. The state of the province appears to be normal, except that towards the end of February robbers were reported to be infesting the district of Natanz. On the roads the following robberies were reported: On the 22nd February, bank specie to the amount of nearly 4,000*l.* on its way to Yezd was robbed at Habibabad, 12 miles west of Ispahan. Most of this was subsequently recovered. On the 28th February, Messrs. Kay and Haycock, who left Ispahan on that day, were robbed by five men, said to be Bakhtiaris, at Bakirabad of nearly all their belongings, valued at about 120*l.* Two caravans were robbed near Kum on the Sultanabad road on the 1st and 2nd March. On the night of the 26th February, fourteen camel men and 300 camels perished in a snowstorm at Kuli Kosh, near Khanekhoreh, where the survivors arrived snow blind and badly frost bitten. The news of the intended withdrawal of the Russian troops from Kazvin has caused the merchants in Ispahan to pause before adopting a boycott of Russian goods.

Yezd.

The local assembly has been active in enquiring into the expenditure of money paid to the governor for the maintenance of road guards, also in investigating charges of excessive taxation brought by various villages against tax collectors. One or two small parties of robbers were still frequenting the Nain and Kerman road in the middle of February. In Nain and Ardekan the exactions of tax collectors have caused a good deal of disturbance among the people.

Kermanshah.

Haji Rustam Beg, leader of one of the factions in the town, had for some time been detained at Tehran. He managed to escape and reach Kermanshah. He has now been ostensibly reconciled to Muin-ul-Raya, leader of the opposing faction. The new chief of police has improved the police force, but petty robberies are still numerous in the town.

Kerman.

Sardar-i-Nusrat with 1,500 men left Kerman on the 18th February for Bam, where he was to be joined by another 1,500 men. Supplies for the expedition, which was to re-establish order in Baluchistan, were being collected at Bam.

Shiraz.

The condition of the roads is reported upon in a separate despatch. Lieutenant Lang, R.N., Lieutenant Ward, Indian army, and the relieved detachment of Indian cavalry left for Bushire on the 26th February.

Bushire.

The German consul has notified to the local Government that he has re-engaged Mirza Hussein as his dragoman. This man is a notorious intriguer.

C. B. STOKES, Major,
Military Attaché.

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No. 37.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 46.)

Sir,

Tehran, March 23, 1911.

WITH reference to my despatch No. 34 of the 9th March respecting the progress of the steps being taken by the Persian Government to restore order on the southern roads, I have the honour to report that, notwithstanding my urgent representations, I have not yet heard that the new Governor-General of Fars has advanced further on his journey to Shiraz than Kazeroun.

His prolonged stay in that locality may be attributed to the fighting which is reported to be taking place for the possession of Ahmedi, a stage north of Bushire, between two factions of headmen of the immediate hinterland, in the course of which the Khan of Angali appears to have occupied a point between Ahmedi and Borasjun, and is preventing the passage of caravans. Moreover, a party of telegraph employés inspecting the line have been incidentally under fire, though fortunately without hurt.

A serious aspect is given to the disturbance by the fact that the Darya Beggi, the Governor of the Gulf ports, and Nizam-es-Sultaneh, the new Governor-General of Fars, are taking opposite sides in this dispute, and that each has dispatched a force to give active support to the party he favours.

On learning of this situation, with its effect on the caravan traffic and the danger to travellers, I immediately addressed a note to the Minister for Foreign Affairs, urging that peremptory orders should be dispatched to the Darya Beggi and the Nizam to oblige their respective protégés to make peace, and holding the Persian Government responsible for any untoward results that might arise from these hostilities.

I have not yet heard whether caravan traffic has been resumed on this section of the road, and with regard to the section between Shiraz and Ispahan, though no further robberies have come to my knowledge since those mentioned in my despatch above referred to, I have no reason to believe that merchants have regained confidence.

It would be, of course, premature to estimate what chance of success the Persian Government may have of themselves restoring order on the southern routes until the Nizam-es-Sultaneh arrives at Shiraz, and has had time to make his dispositions. Much will depend on his success in reconciling the rival factions of the Kawam and Soulet-ed-Dowleh, and I enclose copy of a despatch from Colonel Cox on this subject. I have since heard that the Nizam has confirmed the Kawam in his headship of the Arabs, and that his intention is to confide the guardianship of the Shiraz-Bushire road to Soulet, and that from Shiraz to Ispahan to the Kawam. This would seem to be a good arrangement.

In the meantime, I lose no opportunity of urging the Persian Government to expedite Nizam's arrival at Shiraz, and to remit him the funds necessary for effectively employing his forces on the mission specially entrusted to him. In some quarters it is supposed that the reluctance shown by the Nizam to gain his post and by the Central Government to remit more than relatively unimportant amounts arises, on the one hand, from the fear of the former that his patriotism may be called upon to disgorge a proportion of the large sums he is said to have encashed from his estates and perhaps from other sources on his journey northwards, and, on the other, from the intention of the latter to follow this time-honoured course of economising the central funds, which, owing to the inexplicable delay in the conclusion of the Imperial Bank's loan, are very low. Another supposition which I prefer to entertain is, that the Persian Government fear that any large sum of money sent to Shiraz may be diverted from its legitimate object, and that they are awaiting the arrival of General Maletta on the scene, who may exercise some control on the application of the funds.

The general left Ispahan, where he had been detained many days for want of an escort, on the 11th instant for the south.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 37.

Lieutenant-Colonel Cox to Sir G. Barclay.

(Confidential.)

Sir,

Bushire, January 24, 1911.

WITH reference to my despatch, dated the 20th November, 1910, I have the honour to forward, for your Excellency's information, a copy of a letter which I have

addressed to the Government of India in the Foreign Department regarding the situation in Fars.

I have, &c.

P. Z. COX, *Lieutenant-Colonel, British Resident in the Persian Gulf, and His Britannic Majesty's Consul-General for Fars, &c.*

Enclosure 2 in No. 37.

Lieutenant-Colonel Cox to Government of India.

Sir,

Bushire, January 22, 1911.

IN continuation of the correspondence ending with my covering letter No. 129, dated the 15th January, 1911, I have the honour to enclose a copy of a despatch received from His Majesty's consul at Shiraz, in comment of my letter, dated the 20th November, 1910, to your address.

2. The Minister's telegrams Nos. 251 and 283, of the 23rd November and the 30th December respectively, settle for the present the question of the policy to be pursued towards the Soulet-ed-Dowleh, and the course of events during the two months which have passed since my letter last quoted was written give me no reason to modify the views which I expressed therein.

3. The Soulet and his full brother, the Soulet-es-Sultaneh, arrived in Bushire on the 29th December to await the arrival by sea of the Nizam-es-Sultaneh, the new Governor-General of Fars, who in turn reached here from Kermanshah and Mohammerah on the 10th January. All three are still here. The Kashgai chief and his brother, who would appear to be at present on the best of terms, called on me together on my return from Debai, and I returned their visit.

With the Nizam-es-Sultaneh I have had several meetings, at which the question of the trade routes and outlook in Fars politics have been the subject of friendly discussion.

4. His Excellency has admittedly accepted the co-operation of the Soulet. In this connection he explained to me that he had never met the Soulet before; that the latter had gone out of his way to show his friendly feeling by coming in here with his brother to offer a welcome; that he appeared at present quite sincere in his professions of readiness to do his best to maintain order on the Kazeroun or telegraph route to Shiraz; and that having yet no force of his own, he himself felt that he could not do otherwise than accept the co-operation of the Kashgai chief in the spirit in which it appeared to be offered. His Excellency realises, however, that the Soulet's pecuniary interests do not lie in the employment of the Kazeroun route, and that he is consequently likely soon to tire of troubling to maintain order on it, and to ask to be relieved of the responsibility; but by that time the Governor-General hopes that the acquisition of troops and funds and the raising of some bodies of tufangchis of his own will have made him independent of the Kashgais, and that he will then be in a position to thank the Soulet for his help and let him go his way.

5. As regards the fundamental difficulty of the situation in Fars at present, namely, the hostile rivalry existing between the Kawami faction and the Soulet, his Excellency expressed the view that the only chance of peace for the province was the achievement of a reconciliation of interests between the two parties, and said that he intended to lay himself out to effect that end, and in the process to render himself independent of and neutral to both.

His Excellency is plausible and sanguine—over-sanguine, I think—but he is at any rate a serious person, and the policy which he aspires to put into practice is no doubt the right one, so that one can but wish him good fortune in the difficult task before him.

6. He has up to now recognised the fact that he is a visitor here and that the Gulf ports are not in his jurisdiction, and knowing my own views on this point, he would no doubt be cautious of displaying while here any wish to alter the position. It is generally believed, however, that he is bent on ousting the Darya Beggi if he can, and getting the Governorship of Bushire into the hands of a dependent of his own.

As it is altogether against British interests that the Gulf ports should be under the Shiraz Government and be administered by a puppet of the Governor-General, we shall, if occasion arises, undoubtedly make good our objections to such a change as we have in the past, the more especially at this epoch, when our operations for the

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suppression of the arms traffic result in the raising of so many petty questions and difficulties connected with the Persian coast and ports, which would make business impossible if the Governor of the Gulf ports were able to repudiate responsibility whenever he chose, and refer one to the Governor-General at Shiraz.

A copy of this letter is being sent to His Majesty's Minister, Tehran.

I have, &c.

P. Z. COX, *Lieutenant-Colonel,*
Political Resident in the Persian Gulf.

[13349]

No. 38.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 116.)

(Telegraphic.) P.

Tehran, April 10, 1911.

SIR G. LOWTHER informs me that Rifaat Pasha states that the incident at the Turkish consulate at Bushire may give rise to the dispatch of a guard for that consulate.

[13382]

No. 39.

Sir G. Barclay to Sir Edward Grey.—(Received April 10.)

(No. 117.)

(Telegraphic.) P.

Tehran, April 10, 1911.

THE Persian Government will very shortly be sounded with regard to a railway concession for a line from Julfa to Tabreez by the president of the Russian road company who is here now.

My Russian colleague is my authority for the above.

[13062]

No. 40.

Sir Edward Grey to Sir G. Lowther.

(No. 93.)

(Telegraphic.) P.

Foreign Office, April 10, 1911.

YOU should, if you have the opportunity, discourage the idea of a Turkish guard at Bushire, which is in no way warranted by incident reported in Sir G. Barclay's telegram No. 111 of 5th April.

[11689]

No. 41.

Sir Edward Grey to Sir G. Buchanan.

(No. 115.)

(Telegraphic.) P.

Foreign Office, April 10, 1911.

HAVE you yet been able to ascertain anything as to rumoured Seligman loan (see my telegram No. 110 of 31st March)?

[14770]

No. 41*.

Sir Edward Grey to Sir G. Barclay.

(No. 116.)

(Telegraphic.) P.

Foreign Office, April 10, 1911.

SELIGMAN'S loan.

See your telegram No. 120 of the 11th April.

We have informed Seligman's that, if the conditions laid down by us last year in letters of the 21st May, 28th July, 4th October, and 27th October, besides that of Russian concurrence, are duly observed, we are prepared to lend our moral support to a loan to Persia.

We further stipulate that the amount, security, and purposes to which proceeds of loan should be applied be settled by an arrangement with us and the Russian Government, and that the loan should be British and issued in the London market only.

[12037]

No. 42.

Sir Edward Grey to Sir G. Buchanan.

(No. 103.)

Sir,

Foreign Office, April 10, 1911.

WITH reference to your despatch No. 80 of the 30th ultimo, relative to Turkish encroachments on Persian territory, I transmit to your Excellency herewith copy of a despatch from His Majesty's Ambassador at Constantinople, reporting that he and his Russian colleague have made an identic verbal communication to the Turkish Minister for Foreign Affairs, in accordance with the instructions which they have received, on the subject of the proposed visit to the district in question of an international commission for the purpose of ascertaining the actual situation.

I have to invite your Excellency's attention to the last paragraph of Sir G. Lowther's despatch, dealing with the instructions which should be given to the British and Russian commissioners.

In connection with this point, I have to observe that the interests of Russia are more intimately bound up with a satisfactory solution of this question than are those of Great Britain, and that it is in view of this fact that, as your Excellency is aware, His Majesty's Government have throughout been willing to leave the initiative in dealing with it to the Russian Government.

In conformity with this policy I have to request your Excellency to suggest to the Russian Government that the necessary instructions should be drafted at St. Petersburg and subsequently communicated to His Majesty's Government for any observations which they may have to offer.

Your Excellency should further propose that the representatives of the two Powers at Tehran should be instructed to express their opinion as to the itinerary to be followed by the commission after consultation with the consuls-general at Tabreez, who, as they are on the spot, should be best qualified to form a judgment on the point, and whom, moreover, as you are aware, it is proposed to appoint as commissioners.

I am, &c.

E. GREY.

[13515]

No. 43.

Sir G. Barclay to Sir Edward Grey.—(Received April 11.)

(No. 118.)

(Telegraphic.) R.

Tehran, April 11, 1911

MY telegram No. 116 of 10th April.

In reply to my enquiry as to reparation demanded for outrage on Turkish consulate at Bushire, Turkish Embassy informed me that Minister for Foreign Affairs has officially presented excuses of Persian Government. Embassy has also demanded compensation for damage to consulate and for murders and punishment of culprits.

Embassy says Turkish demands are not yet completely formulated, but these are all for the moment.

[13516]

No. 44.

Sir G. Barclay to Sir Edward Grey.—(Received April 11.)

(No. 119.)

(Telegraphic.) R.

Tehran, April 11, 1911.

I LEARN to-day Governor-General arrived at Shiraz 6th April.

[13519]

No. 45.

Sir G. Barclay to Sir Edward Grey.—(Received April 11.)

(No. 120.)

(Telegraphic.) P.

Tehran, April 11, 1911.

MY Russian colleague gives me to understand that Messrs. Seligman have the intention—and that you are aware of the scheme—of trying to obtain Russian Government's consent to convert the debt of the Persian Government to the Russian

bank. I learn that 3,000,000*l.* is the amount of the contemplated loan. The northern customs could not bear so large a figure. I presume that there is no intention on the part of Seligman to try to oust the Imperial Bank and to include the debt of the Persian Government to the last-named bank in the proposed loan.

The Imperial Bank's loan is not yet concluded, and the delay is explicable if the Persian Government think that Seligman's can furnish them with a large loan secured on the receipts of all the customs.

[13533]

No. 46.

Sir G. Buchanan to Sir Edward Grey.—(Received April 11.)

(No. 84.)

(Telegraphic.) P.

St. Petersburg, April 11, 1911.

PERSIA. Seligman loan.

Your telegram No. 115 of the 10th April. I have seen the Minister of Finance and questioned him as to Seligman's project. M. Kokovtsoff tells me that Seligman was brought to see him lately by the Russian financial agent at Washington, who is connected with Seligman by marriage.

Seligman had told him that a syndicate of English financiers was considering the possibility of arranging to float a loan to the Persian Government of 4,000,000*l.* He had said that His Majesty's Government would approve such a scheme, and had asked how the Russian Government would regard it. M. Kokovtsoff had referred Seligman to the Ministry of Foreign Affairs, saying that in all such matters the Russian Government were desirous of acting in complete accord with His Majesty's Government. Pressed to give his personal opinion of the scheme M. Kokovtsoff had told Seligman that he would not object to the recently converted Russian debt of 10,000,000 roubles being repaid, but that the two large Russian loans must not be covered by any new loan. He did not see that the repayment of the converted debt would be of much advantage to Persia, as she was only paying interest on it at present at the rate of 7 per cent.

M. Kokovtsoff gave me to understand that in his conversation with M. Seligman he had agreed that, if this debt were refunded, the new loan should have a lien on that portion of the receipts of the northern customs which was at present utilized for paying the interest on the debt. At the same time he told me that it was Seligman's intention to rely on the land tax as the eventual security for his proposed new loan.

I then explained the position of His Majesty's Government with regard to their obligations to the Imperial Bank and asked whether M. Nératow had granted Seligman an interview. M. Kokovtsoff said that Seligman had seen M. Nératow, but pointed out that he would have received no definite answer from him, as all questions of importance were hung up at present on account of M. Sazonow's illness.

I have received no communication on the subject from M. Nératow, but I hope to see his Excellency to-morrow and will take the opportunity of speaking to him on the subject.

[12458]

No. 47.

Sir Edward Grey to Sir G. Buchanan.

(No. 104.)

Sir,

Foreign Office, April 11, 1911.

WITH reference to my despatch No. 71 of the 8th ultimo relative to the negotiations now in progress at St. Petersburg in connection with the proposed construction of a railway from Julfa to Tabreez, I transmit to your Excellency herewith copies of further correspondence with Lord Grimthorpe on the subject and of my reply.*

I am, &c.

E. GREY.

* Part XXV, No. 368; and Nos. 10, 20, and 48.

[12458]

No. 48.

Foreign Office to Lord Grimthorpe.

My Lord,

Foreign Office, April 11, 1911.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letters of the 30th March and the 3rd and 5th April, relating to Mr. Williams' negotiations at St. Petersburg on the subject of the proposed Julfa-Tabreez railway.

Your original letter (that of the 26th February) spoke of Mr. Williams only as your representative, so that on receipt of your second letter (that of the 30th March) Sir E. Grey intended to send a copy of it to Sir G. Buchanan in order that, if Mr. Williams should apply to him, he might be able to explain that gentleman's true position to the Russian Government. Before, however, this could be done, your third and fourth letters, those of the 3rd and 5th April, arrived, in which you revert to the same point and also mention reports which have been current in St. Petersburg derogatory to your financial reputation. Sir E. Grey greatly regrets these rumours, of which he now hears for the first time.

Copies of your letters of the 30th March, the 3rd and 5th April will now be sent to Sir G. Buchanan, but as Sir E. Grey knows nothing of the company referred to in the correspondence of which he now hears for the first time, he cannot instruct the embassy to offer any explanations about it. These can no doubt be given by Mr. Williams, and certainly no report to your disadvantage has proceeded from the embassy.

I am, &c.

LOUIS MALLET.

[13673]

No. 49.

Indo-European Telegraph Company to Foreign Office.—(Received April 12.)

Sir,

18, Old Broad Street, London, April 10, 1911.

WE beg to acknowledge receipt of your letter of the 7th April, 1911, together with a summary of the various arrangements that have been concluded with reference to the Tehran-Khanikin line.

We note from your letter that, in the opinion of the Foreign Office, the interests of this company are in no way injured by the agreement come to with the Russian Government.

Mr. Casey, the representative of this company now in St. Petersburg, who was entrusted with the negotiations with the Russian Government for the working of certain telegraph lines in Northern Persia, is returning to this country, and any further negotiations upon this subject will be left to Mr. Pagenkopf, who has represented this company in St. Petersburg for many years, and who has been instructed to keep His Majesty's embassy in St. Petersburg fully informed.

It would appear from conversations that our representative in Tehran has had with the Russian Minister in that city that it is probable that the question of this company working certain of the lines in Northern Persia may remain in abeyance for some time.

We are much indebted to the Foreign Office for the résumé of the case, as contained in your letter under reply, and we shall, of course, treat the matter as confidential.

I am, &c.

T. W. STRATFORD-ANDREWS,

Managing Director.

[13638]

No. 50.

Treasury to Foreign Office.—(Received April 12.)

Sir,

Treasury Chambers, April 11, 1911.

I AM directed by the Lords Commissioners of His Majesty's Treasury to acknowledge the receipt of Mr. Mallet's letter of the 4th instant, from which it appears that the total cost of the pay and allowances for the soldier surveyor accompanying His Majesty's

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consul at Mohammerah on the survey of the country between Dizful and Khorembad is estimated at 650 rupees for the period of survey instead of 500 rupees, as previously stated.

In reply, I am to state, for the information of Sir Edward Grey, that their Lordships authorise the inclusion of half this additional sum in the amount already sanctioned for the purpose in question.

I am, &c.
T. L. HEATH.

[13712]

No. 51.

India Office to Foreign Office.—(Received April 12.)

Sir,

India Office, April 12, 1911.

IN forwarding the enclosed copy of correspondence between the Government of India and the Political Resident in the Persian Gulf,* I am directed by the Secretary of State for India to advert to the memorandum by Mr. Chick enclosed in Lieutenant-Colonel Cox's despatch No. 4 of the 6th March last to His Majesty's Minister at Tehran on the subject of the Bushire-Shiraz road.

The grounds upon which the Government of India have discouraged the suggestion made by Mr. Chick, and recommended by Colonel Cox, are not stated, but the suggestion itself appears to Viscount Morley *prima facie* to be worthy of consideration. The prospect that security will be restored on the Bushire-Shiraz road within any reasonable time is extremely remote, and His Majesty's Government are likely before very long to be faced with the equally unpleasant alternative of enforcing their demand for the employment of British officers or of retreating from the position which they have publicly taken up. Mr. Chick's suggestion appears to afford a way out of the difficulty as regards at least the southern section of the road, and Lord Morley ventures to think that it might be worth while to examine it from that point of view.

The Government of India's objection is perhaps based on the opinion expressed in paragraph 4 of their secret letter No. 18 of the 23rd February last (copy of which was enclosed in my letter of the 6th April), that when a railway line from Bunder Abbas to Mohammerah has been constructed Bushire will disappear as a trade centre. But that contingency is somewhat remote, and does not necessarily render the present suggestion superfluous. In any case, if Sir E. Grey desires to pursue the subject, Lord Morley will ask the Government of India for a fuller expression of their views.

I am, &c.
R. RITCHIE.

[13824]

No. 52.

Messrs. F. C. Strick and Co. to Foreign Office.—(Received April 13.)

*Baltic House, Leadenhall Street, London,
April 12, 1911.*

Sir,

HORMUZ oxide.

We beg to enclose the following: copy of letter from Mr. David Brown, Tehran, dated the 28th January, 1911, together with copies of the enclosures therein referred to, viz., two letters from the Persian Minister of Finance to Mr. David Brown, dated the 15th and the 19th January; copy of claims from Messrs. Ellinger and Co., Manchester, dated the 24th June, 1910; copy of letter from Mr. David Brown to the Persian Minister of Finance, dated the 25th January; copy of Mr. Brown's letter to us dated the 22nd February, 1911; copies of cables exchanged between us and Mr. Brown since the 18th February, 1911.

As you will see from these letters and cablegrams, the position of matters between the Muin-ut-Tujjar and the Persian Government is continually changing. On the 15th January the Finance Minister authorised the payment of 24,000*l.* to the Muin-ut-Tujjar and the latter, as mentioned in Mr. Brown's letter of the 28th January, had applied to him for an advance of 6,000*l.* on account, but as Sir George Barclay having

* Lieutenant-Colonel Cox to Government of India, March 6; Government of India to Lieutenant-Colonel Cox, March 11, 1911.

advised Mr. Brown on no account to part with any money without reference to him, no advance was made.

Later on, as you will see from the cablegrams, the position of affairs had changed, and Mr. Brown informed us that he proposed advancing the 6,000*l.* to the Muin-ut-Tujjar unless he heard to the contrary. We thereupon remitted the 6,000*l.* to Mr. Brown by cablegram, and authorised him to make the payment on the terms mentioned in our cablegram of the 18th February. This was on the 23rd March, since when we have heard nothing on the subject until to-day, when we were somewhat surprised to learn that the position had again changed, and that consequently he had not advanced the 6,000*l.* to the Muin-ut-Tujjar; in fact, he has cabled this sum back to us.

As mentioned by Mr. Strick at the interview he had with Mr. Norman last week, we wrote fully to Mr. Brown at the end of March on the subject of Hormuz, and even if he does not reply by cable, we shall doubtless receive an answer by letter in the course of a few days. Should his reply contain any information of interest, we will pass same on to you immediately.

We have, &c.
FRANK C. STRICK AND CO.

Enclosure 1 in No. 52.

Mr. Brown to Messrs. F. C. Strick and Co.

Dear Sirs,

Tehran, January 28, 1911.

FOR some time past there has been some talk about the Muin-ut-Tujjar obtaining a concession for all the islands in the Persian Gulf as well as for several mines on the littoral. The British Minister has been keeping a close watch on any movement in this direction, and I have had several interviews with him on the subject.

On the 19th instant mention was made of it in the Medjliss. On hearing of this on the 21st instant Sir George Barclay sent for me, and he thought it advisable that I should see the Sani-ed-Dowleh, Minister of Finance, which I did that evening.

From my conversation with the Sani-ed-Dowleh, I learned that the Government had decided to pay the Muin-ut-Tujjar 24,000*l.*, the price of the oxide which was mined on the island of Hormuz at the date when the Government took it over from the Muin. This 24,000*l.* was payable at the rate of 1*l.* per ton on each ton as shipped by you to date from the 1st January last. The Sani-ed-Dowleh also informed me that the Muin had asked him to approach me with a view to your paying this money to the Muin-ut-Tujjar under discount. I replied that you had already paid the Government 10*s.* per ton in advance, and that if you were to pay a further 1*l.* now, it would leave only 10*s.* per ton margin, which was too small; and that I did not think you would be prepared to advance any more money unless you were given something else in hand. I suggested that you might possibly see your way to making the proposed advance if the Persian Government were to grant you a concession for the working and development of the Persian Gulf Littoral and the Gulf islands. I asked him about the concession of these islands, &c., to the Muin-ut-Tujjar, and he said it had been ascertained by the Government that the cost of delivering oxide on board steamer at Hormuz was about 12½ per cent., and they proposed to entrust this to the Muin-ut-Tujjar in future instead of the customs officials doing it, and that in addition to the 12½ per cent. they would allow the Muin a further 1 per cent. for his trouble, making 13½ per cent. in all. That the Cabinet had decided to give the Muin the concession for Hormuz on condition that he paid the Government 75 per cent. of the net profits and retained 25 per cent. himself. I pointed out that all the mines had been in the hands of the Muin for fifteen years, and he had done nothing to develop them. He said the Muin had given as his excuse that he had no confidence in the Government. I said that you were in a much better position to develop this business than the Muin-ut-Tujjar; that you had your own steamers to convey the products in, and that you were in touch with markets for selling them in.

The Sani-ed-Dowleh asked me on what terms you would undertake the business, and, as I thought it advisable to make the best offer possible, I said you would be prepared to give half the net profits to the Government. He asked me to put the offer in writing, which I did, as per press copy of my letter of the 25th January

enclosed. I subsequently discovered that the actual terms on which they had offered the concession to the Muin were as follows:—

75 per cent. of the net profits of Hormuz to go to the Government.

10 per cent. of the net profits of the other islands and other mines, &c., on the littoral to go to the Government.

The term of the concession to be ninety-nine years.

On the 23rd January the Muin-ut-Tujjar presented the order of the Ministry of Finance drawn on you for the payment of 24,000*l.*, as per copy enclosed (translation). I should like your instructions with regard to this. He also handed me a letter from the Minister of Finance (copy enclosed) with regard to the claim of Weir.

On the 24th January I had a long interview with Muin-ut-Tujjar. I enclose copies of the claims of Weir and Ellinger, which I got from him. The Muin states that the supplemental contract with Weir annuls any such claim.

I talked with him about the proposed concession which the Persian Government were prepared to give him, and he said he was not anxious to accept it, as he preferred to have the concession on the terms of the old lease and firman. He was anxious to do all his work through you, as he had always been satisfied with the treatment he had received in the past at your hands, while he complained about Ellinger. He wished to know if you would let him have 6,000*l.*—against the 24,000*l.*—under discount, and asked me to telegraph to you in this connection. He apparently wishes the money to strengthen his position with the Government. He said your action with regard to this would show to what extent you would be prepared to work with him on friendly terms in the future. He offered to pay the cost of getting a reply from you by wire, but I told him I could not explain the matter fully by wire, but that I would write to you and ask you to wire your decision. Sir George Barclay has told me on no account to part with any of this money without reference to him.

This 24,000*l.* represents part of the compensation allowed by the Persian Government to the Muin-ut-Tujjar for the oxide which he had mined ready on the Island of Hormuz when the Government took it from him. The arrangement is that the Persian Government should pay him 42*s.* 6*d.* per ton for every ton so mined and ready on the island at the time. The Muin estimates that the quantity will be about 16,000 tons. It seems strange that the Persian Government should sell to you at 40*s.* and buy from the Muin at 42*s.* 6*d.*, but such appears to be the case.

I am, &c.

D. BROWN.

Enclosure 2 in No. 52.

Persian Minister of Finance to Mr. Brown.

Sir, *Ministry of Finance, Tehran, January 19, 1911.*
ACCORDING to the conditions of the agreement concluded between the Persian Government and your firm, Messrs. Frank C. Strick and Co. have undertaken to settle any lawful claims on the Muin-ut-Tujjar in respect of his existing contract for oxide.

This, we understand, has not yet been done, as the Muin has approached the Government on the subject. We shall be glad, therefore, if you will kindly enter into communication with the Muin-ut-Tujjar in order to ascertain and settle the amount of the said claims.

I have, &c.
The Minister of Finance,
(Sealed) SANI-ED-DOWLEH.

Enclosure 3 in No. 52.

Persian Ministry of Finance to Messrs. F. C. Strick and Co.

(Translation.)

January 15, 1911.

PLEASE pay to Haji Muin-ut-Tujjar the sum of 24,000*l.*, from the 1st January, 1911, onward, on account value of the red oxide of the Isle of Hormuz.

The payments to be made shall be as follows:—

On each lot of oxide that is being gradually shipped from Hormuz, to pay 1*l.* per ton on such lot to the Muin-ut-Tujjar until the full sum of 24,000*l.* has thus been paid to him.

This writing shall serve as an order and which you may pass into account.

For the Ministry of Finance,
MORTEZA GLIOLI, i.e., SANI-ED-DOWLEH.

Enclosure 4 in No. 52.

Mr. Brown to Persian Minister of Finance.

Your Excellency,

Tehran, January 25, 1911.

WITH reference to our conversation of the 21st instant, I now beg to submit to you the following proposal, viz.:—

That a concession be granted to Messrs. Frank C. Strick and Co. (Limited) for the mining, working, and development of all mines, minerals, and natural products, other than those contained in the concession of the Anglo-Persian Oil Company (Limited), on the Persian Gulf Littoral to a distance of 40 miles (about 10 farsakhs) inland and on all the Persian islands in the Gulf for a period of sixty years. In consideration of such concession Messrs. Frank C. Strick and Co. (Limited) agree to pay the Persian Government 50 per cent. of the net profits obtained.

I am, &c.
For Frank C. Strick and Co. (Limited),
DAVID BROWN, Agent.

Enclosure 5 in No. 52.

Mr. Brown to Messrs. F. C. Strick and Co.

Dear Sirs,

Tehran, February 22, 1911.

I CONFIRM my letter of the 28th ultimo.

I duly received your telegram of the 18th instant as follows:—

"If you consider policy and Sir George Barclay approves will agree to advance 6,000*l.* under usual discount 10 per cent. Surely Muin-ut-Tujjar can claim from A. Weir and Co. and (or) Ellinger and Co. Manchester possession stock oxide Nordenham Avonmouth unless already received payment. Cable."

And, in reply, I wired you to-day:—

"After consulting British Minister do not think it advisable advance money Muin-ut-Tujjar. My letter 28th January Ellinger and Co. Manchester claim compensation from Muin-ut-Tujjar."

The assassination of the Sani-ed-Dowleh has changed the situation to a considerable extent. He favoured the Muin-ut-Tujjar. The Vekil-ul-Roya says he does not think there is any chance of the Muin's concession ever being brought before the Medjliss, and that if it is brought before the Medjliss it will be howled out.

Sir George Barclay is against making any advance to the Muin-ut-Tujjar, as he can foresee the remote possibility of the legation having to sequester this money. He agrees with me also that every penny of money paid to the Muin-ut-Tujjar enables him to strengthen his position, and that is not what we want. There is also the possibility that the Persian Government may wish to cancel the arrangement come to between the Minister of Finance (the late Sani-ed-Dowleh) and the Muin-ut-Tujjar, and, in that case, the 24,000*l.* would not have to be paid to the Muin. It is quite clear that the Muin is not entitled to any compensation of this nature whatever. The whole thing is a sop to keep him quiet.

I have informed the Muin-ut-Tujjar that you were quite prepared to advance him the 6,000*l.*, at the usual 10 per cent. discount, but that there were difficulties in the way, which prevented you from doing so for the present. I will probably hear further from him to-morrow. It will be necessary to play him a little.

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The latter part of your telegram was not quite clear to me. I have no reason to think that the Muin-ut-Tujjar was not paid in full for the oxide which was shipped by Weir, though it is possible that Ellinger may have put a stop on part of his balance with them, pending settlement of their claim for compensation. Of this, however, I have no news. It may have been on a score of this kind that the Muin-ut-Tujjar last summer requested that you should assist him in settling his accounts with Ellinger. The accounts which I enclosed in my letter of the 28th January were the claims of Weir and Ellinger on the Muin for compensation under their contract for oxide with the Muin. These were copies of the statements of their claims submitted by them to the Foreign Office.

Is there no possible way of coming to a settlement with Weir and Ellinger with regard to these claims. The legation would be glad to see an amicable settlement come to between you and them in England. What are your views on the subject?

The Vekil-ul-Roya informs me that as soon as a Cabinet is formed he will be able to go ahead with your concession for the Persian islands in the Gulf and the Gulf Littoral.

Mr. C. Alban Young, Councillor of the British Legation, informed me of a despatch they had had from Colonel Cox from Bushire with regard to the sulphur mines at Bostana, near Lingah. Colonel Cox says these mines should be secured by some British firm. Some time ago he had samples of the sulphur sent home and analysed, and they gave 99 per cent. pure sulphur.

I am, &c.
DAVID BROWN.

Enclosure 6 in No. 52.

Telegrams exchanged between Mr. Brown, Tehran, and Messrs. F. C. Strick and Co., London.

SENT to Mr. Brown, the 18th February, 1911:—

"If you consider policy and Sir G. Barclay approves, will agree advance 6,000l. under usual discount 10 per cent. Surely Muin-ut-Tujjar can claim from A. Weir and Co. and (or) Ellinger and Co. possession stock Oxide Nordenham Avonmouth unless already received payment. Cable."

Received from Mr. Brown, the 22nd February, 1911:—

"After consulting British Minister, do not consider it advisable advance money Muin-ut-Tujjar. My letter of the 28th January, Ellinger and Co., Manchester, claim for compensation from Muin-ut-Tujjar."

Sent to Mr. Brown, the 24th February, 1911:—

"Referring to our telegram of the 18th February we fully understand position, but fail to see what claim A. Weir and Co., Ellinger and Co. can have against Muin-ut-Tujjar in view of supplemental contract. Continue negotiations Islands Littoral, if impossible endeavour secure sulphur monopoly."

Sent to Mr. Brown, the 20th March, 1911:—

"Since your letter of the 22nd February, is there any change in Muin-ut-Tujjar position."

Received from Mr. Brown, the 22nd March, 1911:—

"Situation has changed, 24,000l. will have to be paid to Muin-ut-Tujjar, propose advancing 6,000l. if we hear nothing to the contrary."

Sent to Mr. Brown, the 23rd March, 1911:—

"D. Brown, credit or pay foregoing equivalent of 6,000l. upon terms of our telegram of the 18th February."

Received from Mr. Brown, the 11th April, 1911:—

"Up to the present the Persian Government have not given authority in writing for advance to be made Muin-ut-Tujjar. Situation very obscure."

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No. 53.

Messrs. Seligman Brothers to Foreign Office.—(Received April 13.)

Sir,

18, Austin Friars, London, April 12, 1911.

IN continuation of the conversation one of our firm and Colonel Beddoes had with Mr. McKinnon Wood on the 29th March with reference to the attitude of the Imperial Russian Government towards a future loan to be granted to the Persian Government, we have the honour to inform you that the member of our firm who was in Russia has now returned, and we are in a position to give fuller particulars.

It was mentioned in your letter of the 22nd September last that "His Majesty's Government would not view with favour any proposal of the kind in question unless the consent of the Russian Government had previously been obtained," and with this knowledge our representatives, before taking any steps in Tehran, were desirous of ascertaining the views of the Russian Government. In St. Petersburg they had the opportunity of meeting the Acting Minister of Foreign Affairs and the Minister of Finance, who were both favourably disposed towards a fresh loan on the following conditions, viz.:—

1. The Russian Government would support nothing which was not approved by His Britannic Majesty's Government.
2. The terms and conditions of the loan would have to be arranged in Tehran subject to the approval of both the Russian and English Ministers, who must be kept fully informed at all stages of the proceedings.
3. No securities now hypothecated to the Russian Government or the Russian bank (Persian Disconto Banque) must be disturbed.

Subject to these conditions the Russian Government would be prepared to give their moral support to a loan if supported by the English Foreign Office.

Further, we were informed that the Russian Government would have no objection to the debt, or part of it, due to the Persian Disconto Bank being repaid, and the portion of the securities hypothecated for this debt being used for the new loan, nor to the pledging by a second charge of any balance of the securities hypothecated to it.

We have the honour to ask whether, as all these conditions are in accordance with the views of the Foreign Office expressed in their former letters, Sir Edward Grey will be able to grant us the moral support of the Foreign Office, and whether he would give the necessary instructions in Tehran in order that our representative may be able to discuss the various stages of the negotiations with the English and Russian Ministers.

We desire to point out that this loan will in no way impinge on the loan made by the Imperial Bank of Persia, which is an entirely separate transaction of no interest to us.

We have, &c.
SELIGMAN BROTHERS.

[13805]

No. 54.

Sir G. Barclay to Sir Edward Grey.—(Received April 13.)

(No. 121.)

(Telegraphic.) R.

Tehran, April 13, 1911.

MY telegram No. 98 of 29th March: Turco-Persian frontier.

Minister for Foreign Affairs, when I pressed him yesterday for a reply to joint invitation to appoint Persian delegate to accompany Russian and British delegates, said he was waiting to learn Turkish reply to our invitation.

His Excellency told me Turkish Government had proposed Turco-Persian Delimitation Commission, and that Persian Government had expressed their readiness to take part provided Turkey first withdrew her troops.

[13890]

No. 55.

Sir G. Barclay to Sir Edward Grey.—(Received April 13.)

(No. 122.)

(Telegraphic.) R.

Tehran, April 13, 1911.

MY immediately preceding telegram of 13th April: Frontier.

Subject to your approval, I would propose when times comes to send His Majesty's consul at Tabreez as British delegate with an escort of six sowars, leaving Stevens in charge of consulate.

Russian Minister has proposed to his Government that two delegates should be instructed to examine and report on how far Turkish occupation extends and to what extent districts occupied have been brought under Turkish administration, and to collect data throwing light on objects of the Turkish encroachments. I concur, and would propose in due course to instruct His Majesty's representative at Tabreez in that sense.

Itinerary proposed by Russian Government would pass through territory which Turks regard as indisputably Turkish, and the Russian Minister has pointed out that this may provoke Turkish obstruction.

[13769]

No. 56.

Sir G. Buchanan to Sir Edward Grey.—(Received April 13.)

(No. 86.)

(Telegraphic.) P.

St. Petersburg, April 13, 1911.

PERSIA. Seligman loan project.

My telegram No. 84 of the 11th April. I saw Acting Minister of Foreign Affairs to-day and his Excellency told me that in his conversation with Seligman only the general question had been discussed and no details had been touched upon. His Excellency said that he had told Seligman that the Russian Government could not support his project without the consent of His Majesty's Government and that, in general, it was a *sine qua non* condition of Russian support of any loan to Persia that an understanding must first be arrived at with the British Government as to the amount of such loan, the purposes for which it was to be employed, and the security on which it is to be made.

M. Nératow added that Seligman contemplated a loan of 3,000,000*l.*, not 5,000,000*l.* as I had been informed by M. Kokovtsoff.

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No. 57.

Sir Edward Grey to Sir G. Barclay.

(No. 110.)

(Telegraphic.) P.

Foreign Office, April 13, 1911.

TURCO-PERSIAN frontier.

Proposed appointment (see your telegram No. 122 of to-day) has my approval.

As soon as programme is received from Russian Government, I will examine itinerary.

[13533]

No. 58.

Sir Edward Grey to Sir G. Buchanan.

(No. 120.)

(Telegraphic.) P.

Foreign Office, April 13, 1911.

SELIGMAN loan. Your telegram No. 84 of 11th April.

On 29th March Seligman enquired our views as to proposed loan, and stated that Russia was favourable, but prior to that date we had received no communication from him for some months, so that I am led to think he must be referring to Foreign Office letters of the 21st May, 28th July, and 4th October of last year, when he makes the statement that His Majesty's Government approved of the loan.

It would be better to refrain from further discussion with the Russian Government for the present, as I have learnt to-day that it is possible that some British companies, such as Anglo-Persian Oil, Gray Dawes, Burmah Oil, may be interested, but I have no positive knowledge on this point. Were this the case, we should, of course, be favourably disposed.

[13907]

No. 59.

Sir G. Barclay to Sir Edward Grey.—(Received April 14.)

(No. 123.)

(Telegraphic.) R.

Tehran, April 14, 1911.

I SHOULD be glad of any news as to whether Persian Government are proceeding with engagement of three Swedish officers. Since my telegram No. 77 of 7th March I have not been able to elicit any information from Minister for Foreign Affairs.

[13908]

No. 60.

Sir G. Barclay to Sir Edward Grey.—(Received April 14.)

(No. 124.)

(Telegraphic.) P.

Tehran, April 14, 1911.

SITUATION in the south.

In continuation of my telegram No. 110 of the 3rd April, I have the honour to report that Governor-General of Fars appears to be giving proof of energy, and has declared that if he is afforded effective support by the Central Government, he is confident of promptly restoring order. His Excellency has assured Mr. Knox that he will immediately take punitive measures against the lesser brigands, and has stated his intention of himself leading an expedition against the Bori Ahmadi as soon as order is established in the immediate neighbourhood of Shiraz.

General Maletta, however, is most pessimistic, having found neither money, men, nor arms on his arrival. He has told His Majesty's acting consul that it is worse than useless to set about the organisation of a gendarmerie if funds for a whole year's expenditure are not sent to Shiraz. I have called the attention of the Minister for Foreign Affairs to this state of affairs, and reproached him for having led me and my Government to believe that a sum of 80,000 tomans for the expenses of the gendarmerie had already been dispatched to Shiraz. This was now proved to be without foundation. In reply, his Excellency stated that a misunderstanding must have occurred, and gave me his assurance that the necessary funds would be sent without delay.

Mr. Knox reports the abandonment of the operations against Kamarej.

Two or three robberies of local caravans on either side of Shiraz have recently occurred, and it is reported that 400 Bori Ahmadi are in the field, and that they contemplate making a descent on the Bushire-Shiraz road to loot the caravans.

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No. 61.

Sir G. Louther to Sir Edward Grey.—(Received April 14.)

(No. 92.)

(Telegraphic.) P.

Constantinople, April 14, 1911.

TURCO-PERSIAN frontier.

Please see your telegram No. 99 of yesterday.

No reply to our joint invitation has been received from the Porte. My Russian colleague tells me he is suggesting to his Government that a simple notification of the date of our delegates' departure should be given to the Porte, and that he is not inclined to press for a reply at present.

[13965]

No. 62.

Sir E. Goschen to Sir Edward Grey.—(Received April 15.)(No. 100.)
Sir,*Berlin, April 12, 1911.*

THE article which appeared recently in the "Novoe Vremya" on the subject of the exclusion of the Alexandretta branch line of the Bagdad Railway from the scope of the Potsdam Agreement has been commented upon in several newspapers here. The "Norddeutsche Allgemeine Zeitung" contents itself with reproducing statements alleged to have been made by a high official of the Russian Foreign Office to the "Novoe Vremya," which explain the grounds on which this branch was not included in the Potsdam arrangement, and declare that the possible development of Alexandretta as a second Hamburg is a matter which interests Turkey and the foreign countries having large commercial interests there more than it does Russia.

The "Berliner Tageblatt," on the other hand, gives more prominence to the comments of the "Novoe Vremya" itself, which are passed over in silence by the semi-official "Norddeutsche." It reproduces the complaint of the Russian newspaper that the stupid Russians will only realise the full effects of the good-natured discussions in Potsdam when Germany has established herself safely in Syria, connected the Mediterranean with Persia by a short railway, and robbed Russia of her Persian market.

The editor of the "Berliner Tageblatt" adds the following comment:—

"It is scarcely necessary to say that the 'Novoe Vremya' does not seriously believe that Russia will lose her Persian market through the railways which Germany is building. Moreover, the branch line from Alexandretta to Osmanieh could not bring about this result. But in spite of all its pretty speeches at the time of the last visit of the Czar, this paper is so thoroughly impregnated with hatred of Germany, that it regards every success of Germany's commercial policy as a defeat for Russia. Such a conception of the relations of nations with one another cannot be influenced by any argument based upon reason."

The "Vossische Zeitung" also publishes a short article on the same lines.

I have, &c.

W. E. GOSCHEN.

[13989]

No. 63.

Sir G. Lowther to Sir Edward Grey.—(Received April 15.)

(No. 95.)

(Telegraphic.) P.

Constantinople, April 15, 1911.

GUARD for Turkish consulate at Bushire.

I acted on the instructions contained in your telegram No. 93 of the 10th instant, and I am now informed by Rifaat Pasha that the Turkish Government have given up the idea of sending consular guard to Bushire.

[13907]

No. 64.

Sir Edward Grey to Lord Kilmarnock.

(No. 8.)

(Telegraphic.) P.

Foreign Office, April 15, 1911.

SWEDISH officers. Sir G. Barclay's telegram No. 123 of the 14th April.

You should inform Swedish Government that in view of the fact that the disorder on southern roads shows no sign of decreasing, we hope question of employment of Swedish officers will not be hung up.

You should at the same time ask Swedish Government how matter stands, and make it quite clear that we have no objection to the use of Swedish officers for the purpose of restoring order in the districts affected.

[12531]

No. 65.

Foreign Office to Board of Trade.

Sir,

Foreign Office, April 15, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 4th instant relative to the claim of Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. in connection with the supply of red oxide from Hormuz.

I am to inform you in reply that Sir E. Grey concurs in the view held by the Board of Trade with regard to the question of interest referred to in statement "B" attached to Messrs. Ellinger's letter of the 15th ultimo to this Office, that the rate taken should not be less than 5 per cent. per annum if the question of principle involved in the claim is conceded, and the inclusion of the incidental charges alluded to be admitted.

I am, &c.

LOUIS MALLET.

[14005]

No. 66.

Sir G. Barclay to Sir Edward Grey.—(Received April 16.)

(No. 126.)

(Telegraphic.) P.

Tehran, April 16, 1911.

MR. KNOX telegraphs that the Nizam-es-Sultaneh yesterday afternoon arrested the two Kawami brothers.

This action has been such a bombshell to the Shirazis that they have taken no action, and there is reason to hope that the town will not be the scene of any disorders.

The Kawami's son has asked to take bast in the consulate, but as it does not appear that he is in danger Mr. Knox has refused his request. Mr. Knox considers it probable that other relations of the Kawami will also apply for asylum.

The ostensible ground for the arrest is the failure of the Nasr-ed-Dowleh to capture certain brigands.

I have informed Mr. Knox that his action is approved.

[14006]

No. 67.

Sir G. Barclay to Sir Edward Grey.—(Received April 17.)

(No. 127.)

(Telegraphic.) R.

Tehran, April 17, 1911.

MY telegram No. 120 of 11th April.

Medjliss decided on Saturday to discuss the Imperial Bank of Persia's loan contract to-morrow.

[14012]

No. 68.

Sir G. Barclay to Sir Edward Grey.—(Received April 17.)

(No. 128.)

(Telegraphic.) P.

Tehran, April 17, 1911.

HIS Majesty's acting consul at Shiraz informs me that the impression produced by the arrest of the Kawami (which I had the honour to report in my telegram No. 126 of yesterday) is exceedingly good, and that at any rate for the time being the complexion of affairs in the province is happier.

Sardar Assad, however, views this action on the part of the Governor-General with the utmost displeasure. He realises that the arrest of the Kawami will perforce strengthen the Soulet-ed-Dowleh, their rival, with whom it now appears the Nizam is acting in complete agreement, and the latter has called upon Soulet to join him at Shiraz immediately.

Sardar Assad is making very strong representations to the Persian Government in favour of the Kawami, and has postponed his departure for Europe, which was imminent. I have, at the instance of the Minister for Foreign Affairs, urged him not

to take any action which could tend to impair the Nizam's authority, and have pointed out that the Nizam would probably resign—a contingency which would again bring affairs in Fars to a crisis—if disavowed by the Persian Government.

My representations have, I fear, been fruitless, and Sardar Assad appears resolved to obtain the Kawami's release. He would welcome the resignation of the Nizam.

[14027]

No. 69.

Sir G. Barclay to Sir Edward Grey.—(Received April 17.)

(No. 129.)

(Telegraphic.) P.

Tehran, April 17, 1911.

SITUATION in Shiraz.

In continuation of my immediately preceding telegram of to-day's date, I have the honour to report that I took advantage of a private audience with the Regent, which had been fixed for to-day, to inform Nasr-ul-Mulk of my representations to Sardar Assad and the unsatisfactory manner in which they had been received.

Nasr-ul-Mulk stated that the Nizam's action had been generally approved in Tehran, but Sardar Assad was very violent, and had openly declared that he would throw in his lot with the democrats and force the Cabinet to resign if the Kawami were not released.

The Regent went on to say that he was advising the Cabinet to support the Nizam, as latter would resign if disavowed, and it was impossible to know what might not happen in the interval before the arrival of a new Governor-General if Nizam left Shiraz. His Highness believed that if the majority in the Medjliss showed that the Cabinet had its support in this matter Sardar Assad would calm down. His Highness had therefore summoned the leaders of the majority, and had put before them the importance of demonstrating their approval of the attitude of the Cabinet.

[14009]

No. 70.

Sir G. Buchanan to Sir Edward Grey.—(Received April 17.)

(No. 90.)

(Telegraphic.) P.

St. Petersburg, April 17, 1911.

TURCO-PERSIAN frontier. Your despatch No. 103 of the 16th April.

In M. Nératow's opinion M. Poklewsky is better qualified than he is himself to draft the instructions for the British and Russian delegates. He has accordingly instructed M. Poklewsky to consult Sir G. Barclay in the matter, and has indicated to him the general lines on which the instructions should be drafted.

[14050]

No. 71.

Lord Kilmarnock to Sir Edward Grey.—(Received April 18.)

(No. 55.)

Sir,

Stockholm, April 8, 1911.

WITH reference to your telegram No. 3 of the 3rd January last, I have the honour to report that the Swedish Government have appointed Mr. William Cooper to be Swedish consul-general in Tehran.

I have, &c.

KILMARNOCK.

[14051]

No. 72.

Lord Kilmarnock to Sir Edward Grey.—(Received April 18.)

(No. 56.)

Sir,

Stockholm, April 11, 1911.

I HAVE the honour to report that the Secretary-General of the Ministry for Foreign Affairs informed me to-day in the course of conversation that the negotiations with the Persian Government for the loan of Swedish officers to reorganise the Persian gendarmerie were approaching completion, but that some little time might elapse before

all the details as to pay and pensions were finally settled. The officers would probably be selected shortly.

In reply to the Swedish enquiries the Russian Government had at first, Baron Ramel said, only declared that they had no objection to the employment of Swedish officers in the South of Persia, but had now intimated that they were equally indifferent to their employment in the north. The French Legation would, in accordance with an old arrangement renewed ten years ago, continue to look after Swedish interests in Persia.

I have, &c.

KILMARNOCK.

[14262]

No. 73.

Sir G. Buchanan to Sir Edward Grey.—(Received April 18.)

(No. 100.)

Sir,

St. Petersburg, April 12, 1911.

WITH reference to your despatch No. 85 of the 20th March last, and to previous correspondence with regard to telegraph routes in the Russian sphere of influence, I have the honour to inform you that Mr. Casey, the special representative of the Indo-European Telegraph Company, has not yet called at this embassy.

Mr. Pagenkopf, the permanent representative of the company here, visited the embassy this morning and spoke to a member of my staff. He said that conversations had taken place with M. de Klemm, the official in charge of Persian questions at the Ministry of Foreign Affairs, but that very little progress had been made. He indicated, in fact, that the conversations had been of a purely general character and had only touched on the question of the best method of improving the telegraphic service in Northern Persia without entering into any details.

Mr. Pagenkopf let it be understood that he had come instead of Mr. Casey, and that no visit need be expected from the latter.

I have, &c.

GEORGE W. BUCHANAN.

[14222]

No. 74.

Sir G. Buchanan to Sir Edward Grey.—(Received April 18.)

(No. 103.)

Sir,

St. Petersburg, April 13, 1911.

IN my telegrams Nos. 84 and 86 of the 11th and 12th instant I have already had the honour to report the substance of my conversations with the Minister of Finance and the Acting Minister for Foreign Affairs on the subject of Mr. Seligman's recent visit to St. Petersburg.

M. Kokovtsoff told me that M. Wilenkin, the Russian financial agent in the United States, who is married to a Miss Seligman, introduced that gentleman to him, and that Mr. Seligman had spoken to him of a projected loan which an English syndicate was contemplating raising for the Persian Government. M. Kokovtsoff had confined himself to stating his personal views with regard to the bearing of such a loan on Russia's vested financial interests in Persia, and had told him that, while he could not consent to the two Russian loans of 1900 and 1902 being covered by such a loan, he would not object to the repayment of the recently-converted Russian debt of 10,000,000 roubles. He also gave me to understand that he had expressed his readiness to consent to the new loan having a lien on the northern customs for an amount equivalent to that which they at present furnish to meet the interest on the existing Russian debt of 10,000,000 roubles in the event of the repayment of that debt. As regarded the political side of the question, he had referred him to the Acting Minister for Foreign Affairs, as he desired to maintain a close understanding with His Majesty's Government in all questions connected with Persian finance.

The conversation which Mr. Seligman subsequently had with the Acting Minister for Foreign Affairs was of a more general character. M. Nératow gave him clearly to understand that the Imperial Government could not agree to support any loan to Persia without first having come to an understanding with His Majesty's Government with regard to its amount, the sources of revenue which were to serve as a guarantee for the payment of the interest, and the objects to which the proceeds of the loan were

[1798]

P

to be applied. Until, therefore, Mr. Seligman had obtained the approval and consent of His Majesty's Government to his project he could not promise him the support of the Imperial Government. Mr. Seligman expressed himself as perfectly satisfied, and said that he proposed returning to London, where he did not anticipate meeting with any opposition on the part of His Majesty's Government, and that he would subsequently go to Tehran and talk over the details of the scheme with the British and Russian Ministers.

Mr. Seligman appears to have assured both M. Kokovtsoff and M. Nératow that he could count on the sympathy, if not on the actual support, of His Majesty's Government. I told M. Nératow that, in view of the interest which His Majesty's Government took in the Imperial Bank of Persia, I rather doubted whether Mr. Seligman was justified in giving him such an assurance.

I have, &c.

GEORGE W. BUCHANAN.

[14265]

No. 75.

Sir G. Barclay to Sir Edward Grey.—(Received April 18.)

(No. 130.)

(Telegraphic.) P.

Tehran, April 18, 1911.

IN continuation of my telegram No. 129 of yesterday's date, I learn that it has been decided by the Persian Government to instruct the Nizam-es-Sultaneh to release the Kawamis. This is conditional on their leaving the province of Fars. Sardar Assad has agreed to this arrangement.

[14468]

No. 76.

Lord Kilmarnock to Sir Edward Grey.—(Received April 18.)

(No. 4.)

(Telegraphic.) P.

Stockholm, April 18, 1911.

SWEDISH officers for Persian gendarmerie. See my despatch No. 56.

With reference to your telegram No. 8 of the 15th April, I learn from the Ministry for Foreign Affairs that agreement is almost complete, and that it is expected that the Swedish Minister in Paris will receive the draft convention to-day. If this is accepted by the Persian Minister and the latter has full powers the Swedish officers will be selected without delay, and will proceed at once to Paris to sign contract. They will then require a few weeks in which to make the necessary preparations.

There seems to be some doubt as to whether the Persian Minister in Paris has received full powers, and, if not, it is suggested by the Swedish Government that pressure might be applied by His Majesty's Government at Tehran to avoid delay. Might not His Majesty's Ambassador at Paris bring similar influence to bear on Persian Minister at that capital?

I have not failed to urge Swedish Government to expedite matters, and instructions in this sense will be sent by telegraph to the Swedish Minister at Paris.

[14050]

No. 77.

Sir Edward Grey to Sir G. Barclay.

(No. 114.)

(Telegraphic.) R.

Foreign Office, April 19, 1911.

YOUR telegram No. 2 of 3rd January: Swedish consul-general at Tehran.

Mr. Cooper appointed.

[14027]

No. 78.

Sir Edward Grey to Sir G. Barclay.

(No. 115.)

(Telegraphic.) R.

Foreign Office, April 19, 1911.

YOUR telegrams Nos. 126 of 16th April, 128, and 129 of 17th April: Arrest of the Kawamis at Shiraz.

Your action approved.

[12564]

No. 79.

Foreign Office to Messrs. Ziegler and Co.

Gentlemen,

Foreign Office, April 19, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of the letter of the 4th instant, signed by yourselves, Messrs. H. C. Dixon and Co., and Messrs. Hadji Ali Akbar and Sons (Limited), relative to the insecurity of the roads in Southern Persia, and to inform you that, according to a telegram received from His Majesty's Minister at Tehran, the officer commanding the troops concerned in the incident of the 24th February, to which reference is made in the letter from this Office of the 30th ultimo, has been recalled in consequence of his attitude on that occasion.

I am to observe that the foreign general officer selected by the Persian Government for the task of organising the gendarmerie in the province of Fars for the protection of the road has not long arrived at Shiraz, while the new Governor-General only reached that town on the 6th instant. It is clear that till these two officials have occupied their posts for a period sufficient to enable a judgment to be formed as to their capability of making effective use of the means at their disposal for the restoration of order and security in the province, any verdict on the success or failure of the scheme devised by the Persian Government with this object would be premature.

Unless and until Nizam-es-Sultaneh and General Maletta prove themselves, after a fair trial, incapable of performing the duty entrusted to them, insistence on the adoption of the British scheme for the employment of Anglo-Indian officers to organise the gendarmerie would lay His Majesty's Government open to a charge of harshness and injustice.

In accordance with your request, the nature of the reply of the Persian Government to Sir G. Barclay's recent representations on this subject will be made known to you in due course.

I am, &c.

LOUIS MALLET.

[14776]

No. 80.

Sir G. Barclay to Sir Edward Grey.—(Received April 20.)

(No. 132.)

(Telegraphic.) P.

Tehran, April 20, 1911.

SHIRAZ situation.

Mr. Knox telegraphs as follows:—

"A large crowd, including sons of Mullahs who were burnt and killed by the Kawamis after their fathers' murder, assembled yesterday afternoon and demanded summary execution of two brothers from Governor-General. In reply, his Excellency stated that their trial was fixed for the 20th April, and that their crimes will be punishable by death in accordance with either law. Governor-General was enthusiastically cheered by the crowd.

"The general belief is that arrangements are being made to enable the supporters of the Mullahs to shoot the two brothers on their way to their trial."

I have instructed Mr. Knox, at the request of the Regent, to warn Nizam-es-Sultaneh not to proceed too far. Warning has been conveyed.

[14782]

No. 81.

Sir G. Lowther to Sir Edward Grey.—(Received April 20.)

(No. 97.)

(Telegraphic.) P.

Constantinople, April 20, 1911.

IN the Chamber yesterday, during a debate on the budget of the Ministry for Foreign Affairs, a committee deputy attacked the Cabinet on the ground that, while the country desired to maintain friendly and intimate relations with France and England, the Government pursued a pro-German policy. Rifaat Pasha was asked by another deputy to explain the divergence between the declaration made by him, as a

result of assurances given him by the German Ambassador, to the effect that Persian affairs formed the sole subject of the Potsdam agreement, and the revelations consequent on the Maimon affair, which made clear the authentic foundation of the version of the agreement, including article 3, published by the "Evening Times." It seems that Rifaat Pasha's position has been weakened to a considerable extent. He will not reply to these attacks until Wednesday next.

[13835]

No. 82.

Sir Edward Grey to Sir G. Barclay.

(No. 43.)

Sir,

Foreign Office, April 20, 1911.

SIR T. JACKSON called at this Office on the 13th instant with Sir T. Gordon to enquire what progress was being made in the matter of the loan which Messrs. Seligman propose to make to the Persian Government. Mr. Mallet, who received them, read to them Sir G. Buchanan's telegram No. 84 of the 11th instant.

Sir T. Jackson stated that Messrs. Seligman's chief house was in New York, and that he thought it probable that the American financial advisers were cognisant of the proposal. Mr. Mallet repeated to him that His Majesty's Government could not prevent the Persian Government from obtaining money from outside sources provided that the conditions, of which he was aware, were not infringed.

Sir T. Jackson stated that he quite understood the attitude of His Majesty's Government, but observed that the advances of the Imperial Bank under their last agreement could be paid off at a year's notice, and he presumed that if the Persian Government obtained a loan of 4,000,000*l.*, they would repay the Imperial Bank. The Anglo-Indian advance could not be repaid without the consent of His Majesty's Government, but the amount was, of course, insignificant, and the Gulf customs would carry a much larger loan.

Sir T. Gordon observed that he had heard a few weeks since that some important houses were considering the question of a loan. These were the Burmah Oil Company, the Anglo-Persian Oil Company, Messrs. Grey, Dawes and Co., Messrs. Strick, Scott and Co., and Sir T. Gordon thought that possibly, in view of the information received by His Majesty's Government, these loans might be those referred to by Seligman. Mr. Mallet said that, if this were the case, an arrangement might be come to which would, perhaps, include the Imperial Bank itself.

I am, &c.

E. GREY.

[13182]

No. 83.

Foreign Office to India Office.

Sir,

Foreign Office, April 21, 1911.

WITH reference to your letter of the 22nd of March, 1910, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran, reporting the presentation to the Persian Government of the accounts of the expenditure incurred on the construction of the Central Persian Telegraph Line, as provided by articles 3 and 4 of the convention of 1901.*

Viscount Morley will observe that Sir G. Barclay has, at the same time, presented to the Persian Government an account of the establishment charges incurred under article 2 of the convention.

Sir E. Grey considers that, in the changed circumstances of the case, Sir G. Barclay acted with judgment in departing in this particular from the instructions which he had received.

Sir E. Grey would accordingly propose, subject to Lord Morley's concurrence, to approve Sir G. Barclay's action in this matter.

I am, &c.

LOUIS MALLET.

[14770]

No. 84.

Foreign Office to Messrs. Seligman Brothers.

Gentlemen,

Foreign Office, April 21, 1911.

WITH reference to the conversation which your representatives had on the 19th instant at this Office relative to your proposed loan to the Persian Government, I am directed by Secretary Sir Edward Grey to inform you that His Majesty's Government are willing to give their moral support to a transaction of this kind, as they understand that the Russian Government are favourable to it on certain conditions, and that you are ready to agree to the other stipulations laid down in previous letters from this Office.

Sir E. Grey understands that the loan will be brought out on the London market only, and that it will be an entirely British transaction, and further, that you would be ready to come to an understanding with His Majesty's and the Russian Governments as to its amount, the securities on which it should be guaranteed, and the purposes to which it should be applied. He is of opinion that it would be advantageous if some of the more important British firms engaged in commercial enterprise in Persia participated in the loan.

I am, &c.

LOUIS MALLET.

[13824]

No. 85.

Foreign Office to Messrs. F. C. Strick and Co.

Gentlemen,

Foreign Office, April 21, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge with thanks the receipt of your letter of the 12th instant relative to the question of the working of the mines of red oxide at Hormuz.

Sir E. Grey notes that your communication contains no reference to the point raised in the letter of the 5th instant from this Office relative to the proposal to communicate to Messrs. Andrew Weir and Co. and to Messrs. Ellinger and Co. the terms of article 12 of your contract with the Persian Government, and he presumes that you propose to defer your observations on this question till you have received the answer of Mr. David Brown to the letter which you addressed to him at the end of last month.

I am to point out in this connection that the matter is an urgent one, and that, if Mr. Brown answers by letter, his reply cannot in the most favourable circumstances be received before another ten days have elapsed.

I am, &c.

LOUIS MALLET.

[15100]

No. 86.

Sir G. Barclay to Sir Edward Grey.—(Received April 22.)

(No. 133.)

(Telegraphic.) P.

Tehran, April 22, 1911.

SHIRAZ situation.

In continuation of my immediately preceding telegram of the 20th April:

Mr. Knox reports postponement of trial of Kawamis.

Minister for Foreign Affairs informs me that Governor-General of Fars has now received instructions to send Kawamis to the capital to enable the charges against them to be investigated in Tehran.

I have privately pointed out to the Regent that if Kawamis are brought here they will find good opportunities for intriguing against Nizam-es-Sultaneh, and I have expressed the opinion that it would be wiser to expel them from Persia without delay or to send them to some outlying province.

[1798]

Q

[15101]

No. 87.

Sir G. Barclay to Sir Edward Grey.—(Received April 22.)(No. 134.)
(Telegraphic.) R.*Tehran, April 22, 1911.*

MY telegram No. 121 of 13th April: Turco-Persian frontier.
Russian Minister had heard from his Government that Turkish Government had proposed to Persia that, should Turco-Persian delimitation commission proposed by the former disagree, dispute should be submitted to Hague Tribunal. He enquired of the Minister for Foreign Affairs, and was informed that proposal was not for submission of the whole question but only of differences in interpretation of treaties. Minister for Foreign Affairs said that Persian Government had not yet replied, as they were awaiting arrival of new Persian Ambassador at Constantinople before continuing negotiations.

Russian Minister learns that his Government agree with Russian Ambassador at Constantinople that we should not wait any longer for Turkish reply to our invitation to join tour on frontier, and they think that Russian Minister and I should inform Persian Government accordingly and discuss with them further the question of the participation of a Persian delegate. Russian Minister is also told to concert with me as to itinerary and the instructions to our delegates.

We gather from conversation with Regent and Minister for Foreign Affairs that Persian Government, when we approach them again, will ask what the two Governments are going to do when tour on frontier is ended, and to what extent Persia may count on the support of the two Powers in frontier dispute.

[13178]

No. 88.

*Foreign Office to Admiralty**Foreign Office, April 22, 1911.*

Sir,
WITH reference to the letter from this department of the 11th June last, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran, relative to the services of Lieutenant G. N. Lang, R.N., of the Maxim gun detachment under that officer's command, and of the Sepoy detachment, stationed since the summer of 1909 at His Majesty's Consulate at Shiraz.*

I am to state that Sir E. Grey has received this report with satisfaction, and to renew the expression of his hope that the good service rendered by Lieutenant Lang and the detachment under his command may receive some recognition.

I am, &c.

LOUIS MALLET.

[13178]

No. 89.

*Foreign Office to India Office.**Foreign Office, April 22, 1911.*

Sir,
WITH reference to the letter from this department of the 11th June last, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran, relative to the services of Lieutenant G. N. Lang, R.N., of the Maxim gun detachment under that officer's command, and of the Sepoy detachment stationed since the summer of 1909 at His Majesty's Consulate at Shiraz.*

I am to state that Sir E. Grey has received this report with satisfaction, and to renew the expression of his hope that it may be found possible for the Government of India to accord to Subedar Khandu Jadoo and to those under his command some recognition of their services.

I am, &c.

LOUIS MALLET.

[15137]

No. 90.

Sir G. Buchanan to Sir Edward Grey.—(Received April 24.)

(No. 104.)

[St. Petersburg, April 13, 1911.]

Sir,
THE "Novoe Vremya" has published two leading articles on the latest developments of the Bagdad Railway question, in which it refers with great bitterness to the meetings at Potsdam.

The first of these articles, published on the 12th April, deals with the concession to Germany of a port at Alexandretta and the right to connect that port with the Bagdad Railway. Germany, the article says, obtains thus at one stroke her first naval base in the Mediterranean and a free road for her trade into Persia and India. This is indeed a triumph for German diplomacy, and it is to be attributed directly to Russia's abandonment at Potsdam of her opposition to the Bagdad Railway scheme.

The article goes on to say that a representative of the paper called at the Ministry for Foreign Affairs to enquire about the Alexandretta concession, and was informed by an official of the Ministry that this concession had no connection whatsoever with the Potsdam conversations, and that Turkey, being a free country, had full liberty to grant what concessions she desired. From this view the writer of the article begs to differ. As long as Russia persisted in her negative attitude towards the Bagdad Railway scheme, Germany could not find the means to construct the railway even as far as Bagdad. Now all that is changed, and Germany acquires a naval base on the Mediterranean and a road for her commerce into the heart of Persia, where Russian commerce formerly reigned supreme.

The writer contemptuously dismisses the theory that the Russian representatives at Potsdam had no right to discuss the question of Turkey's granting concessions in her own territory. It is clear enough, he says, that a formal concession by the Ottoman Government was not considered sufficient by Germany for the realisation of the Bagdad Railway scheme. Germany had to obtain Russia's consent as well, and Russia gave it without obtaining any corresponding advantage. A line from the Bosphorus to Bagdad is of no great political importance to Russia, but it is far otherwise with a line from a naval base on the Mediterranean into the heart of Asia, and at Potsdam Russia missed her opportunity of striking a bargain. The article closes with a bitter criticism of Russian diplomatic methods, saying that her representatives always exhibit an absurd respect for international jurisprudence, and an equally absurd disregard of political expediency. "What Russia needs is a little less of politics in her jurisprudence and a little less of jurisprudence in her politics."

The second article, published on the 13th April, deals more especially with rumours as to the course of the Russo-German negotiations. The writer says that the delay in putting the results of the Potsdam meetings on paper is variously ascribed to M. Sazonov's illness, to unforeseen difficulties, or to the discovery by M. Kokovtsov that Russia has not enough funds at her disposal to construct the Tehran-Khanikin line, and that Germany has in consequence agreed to find the necessary capital herself. The writer inclines to the belief that the delay emanates from Berlin, and that Germany, in direct contradistinction to the Russian practice, relies more on accomplished facts than on written documents, and is in no hurry to sign papers. A simple verbal exchange of promises at Potsdam has lent wings to the Bagdad Railway Company, and made possible the immediate financing of the unconstructed section of the Bagdad line. It has induced England to consent to the construction of the Gulf section, and has made it possible for Germany to obtain a coaling station on the Mediterranean and to carry her commerce to Russia's Caucasian frontier, to Persia, to the shores of the Persian Gulf, and beyond.

The writer then sounds a warning note as to Austria-Hungary. Germany has renounced direct participation in Persian railway construction, but Austria-Hungary has not, and Austrian financiers may appear on the scene at any moment. In all these circumstances, it is not surprising that Germany should be willing to wait awhile and give the Russian Ministry for Foreign Affairs a breathing space.

In conclusion, the article wonders why it is that when Russian statesmen undertake journeys abroad the invariable result is that their courteous hosts reap material advantages, while Russia suffers irreparable and mortifying loss.

I have, &c.

GEORGE W. BUCHANAN.

[15138]

No. 91.

Sir G. Buchanan to Sir Edward Grey.—(Received April 24.)

(No. 106.)

Sir,

St. Petersburg, April 15, 1911.

WITH reference to your despatch No. 104 of the 11th instant, transmitting to me copies of the correspondence which has passed between Lord Grimthorpe and your department on the subject of the negotiations which Mr. Williams has been conducting at St. Petersburg for the construction of a railway from Julfa to Tabreez, I have the honour to state that Lord Grimthorpe is quite mistaken in thinking that the success of Mr. Williams's negotiations has been compromised by any statement that has been made by His Majesty's Embassy.

On Mr. Williams's arrival in St. Petersburg about a month ago, I gave him an open letter of introduction to the Minister of Finance, in which he was described as the "représentant d'un important syndicat anglais dont Lord Grimthorpe est président." Not only did Mr. Williams take no exception to the terms of this letter, but he even took the trouble of writing to thank me for the assistance which I had given him. On the 31st March he again wrote to me, saying: "Affairs have so developed here that it is important I see the Minister of Agriculture, and I would be so much obliged if you would give me a letter to him such as you gave me for the Finance Minister." This I accordingly did, and, before leaving St. Petersburg, Mr. Williams sent me a further letter of thanks.

It is hardly necessary for me to say that I have never described Lord Grimthorpe as being a director of a "freak company," all the more so that I was entirely ignorant of the fact that he had ever been a director of Steele, Lockart, and Co., or that that company had ever done anything to merit the imputation of being a "freak."

I may mention that in a conversation which I had with the Minister of Finance a few days ago his Excellency informed me that the terms proposed by Mr. Williams were quite unacceptable, and this latter fact probably accounts for the failure of his negotiations.

I have, &c.

GEORGE W. BUCHANAN.

[15116]

No. 92.

Sir G. Lowther to Sir Edward Grey.—(Received April 24.)

(No. 257.)

Sir,

Pera, April 17, 1911.

I HAVE the honour to report that I have received information from His Majesty's consular officers at Erzeroum and Van that a detachment of gendarmes, numbering 100, has arrived at the latter place from Trebizond. They are to be armed with Mauser rifles, and dispatched for service on the newly occupied Persian frontier districts.

I have, &c.

GERARD LOWTHER.

[15139]

No. 93.

Sir G. Buchanan to Sir Edward Grey.—(Received April 24.)

(No. 108. Confidential.)

Sir,

St. Petersburg, April 18, 1911.

IN accordance with the instructions conveyed to me in your despatch No. 86 of the 23rd ultimo, I have informed the Acting Minister for Foreign Affairs that Lieutenant Wilson will, after completing the survey of the country between Dizful and Khorembad, proceed to Burujird as an ordinary traveller, but that he would, of course, abstain from making any survey in the Russian sphere unless it was the wish of the Imperial Government that he should do so.

M. Nératow raised no objections and merely observed that the Imperial Government was hardly likely to make any such request to Lieutenant Wilson.

I have, &c.

GEORGE W. BUCHANAN.

[5141]

No. 94.

Sir G. Buchanan to Sir Edward Grey.—(Received April 24.)

(No. 110.)

Sir,

St. Petersburg, April 18, 1911.

IN the course of a conversation which I had with the Acting Minister for Foreign Affairs yesterday, I observed that the Russian press had of late been devoting much attention to the Potsdam interview, and seemed at a loss to explain the slow progress that was being made with the Russo-German negotiations.

M. Nératow replied that all that he could tell me on the subject was that nothing whatever had passed between the two Governments since M. Sazonow had handed Count Pourtalès the revised text of the draft agreement. He did not know whether this silence on the part of the German Government was to be accounted for by their desire to wait till M. Sazonow was sufficiently recovered to be able to resume the conduct of the negotiations which he had initiated or to some other cause. He, personally, was inclined to believe that they desired to see what would be the outcome of the negotiations which His Majesty's Government were conducting at Constantinople on the subject of the Bagdad Railway before replying to the last Russian proposals.

M. Nératow then proceeded to speak to me on the subject of your conversation with Count Benckendorff, of which you communicated to me the substance in your despatch No. 105 of the 10th instant. His Excellency said that he thought it most important that the solidarity of the "Triple Entente" in the matter of the Bagdad Railway should be manifested to the world, and that he had therefore suggested that Russia, as well as France, should participate in the Bagdad-Gulf section. He understood from what you had told Count Benckendorff that there might be difficulties in the way of the internationalisation of this section; but, if this proved to be the case, the object which he had in view might be attained by an *amorcellement* of the line.

I enquired whether he meant by this that the Bagdad-Gulf section should be divided into different *tronçons*, as that would in my opinion be very difficult to arrange. His Excellency admitted this, and said that it would be sufficient if each of the three Powers acquired an interest in one or other of the different parts of the Bagdad Railway system. Thus were Great Britain to obtain the control of the Gulf section, Russia might be given the Sadidjeh-Khanikin branch, while France might take over some other section.

I said that I believed that France's aspirations were fixed on railways in another direction, and that, moreover, I did not quite see where she was to come in, unless it was on the Bagdad-Gulf section. M. Nératow thereupon suggested the branch line to Alexandretta, but I pointed out that this was an arrangement to which Germany was never likely to consent.

I gather from the above conversation that M. Nératow desires to revert to M. Sazonow's original idea of claiming for Russia the right to construct the Sadidjeh-Khanikin line in the event of Great Britain obtaining satisfaction with regard to the Bagdad-Gulf section (see my despatch No. 482 of the 9th December last).

I have, &c.

GEORGE W. BUCHANAN.

[15143]

No. 95.

Sir G. Buchanan to Sir Edward Grey.—(Received April 24.)

(No. 112. Confidential.)

Sir,

St. Petersburg, April 18, 1911.

M. KHOMIAKOFF and M. Zweguintzow called on me yesterday and spoke to me on the subject of the trans-Persian railway.

They said that the Russian group had now been constituted, and that they were only awaiting the answers of the British and Indian Governments, expressing approval of the scheme, to send delegates to London to enter into negotiations with the group, which, they trusted, would shortly be formed in England. They were most anxious that the reply of His Majesty's Government might soon be forthcoming, as it was most important that they should receive it before people began to leave St. Petersburg in another month. They both took a very optimistic view of the prospects of the railway, and expressed the hope that a source of indirect guarantee might be derived from the

[1798]

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surplus revenues gained by the Russian and Indian railways from the increased freights brought them by the new railway.

They finally asked me to forward to you the accompanying confidential statement, which they have since sent me in the enclosed letter.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure 1 in No. 95.

MM. Khomiakoff and Zweguintzow to Sir G. Buchanan.

M. l'Ambassadeur,

Saint-Petersbourg, le 4 (17) avril, 1911.

NOUS avons l'honneur d'adresser ci-joint à votre Excellence trois exemplaires d'un exposé confidentiel de la situation actuelle du projet d'un chemin de fer de transit à travers la Perse. La copie d'une partie de cet exposé a été envoyée par M. Timiriazeff, ancien Ministre du Commerce et membre du Conseil de l'Empire, à Mr. Huth Jackson, gouverneur de la Banque d'Angleterre, conformément aux arrangements pris en novembre dernier pendant les négociations poursuivies à Londres par MM. Timiriazeff et Zweguintzow au nom du groupe russe pour la construction du chemin de fer mentionné.

Nous nous permettons de prier votre Excellence de bien vouloir transmettre ledit exposé à Sir Edward Grey et à Sir Arthur Nicolson.

Veillez, &c.

N. KHOMIAKOFF.

A. ZWEGUINTZOW.

Enclosure 2 in No. 95.

"Exposé" respecting the Trans-Persian Railway.

(Confidential.)

IT can be assumed that the scheme of a trans-Persian railway, the overland route to India, has been favourably received in England. The doubts which have been expressed do not apply either to the idea itself, which to the belief of all will some day be realised, or to the political aspect of the scheme, which very opportunely fills a gap not only in trans-continental, but even more so in British Imperial communications. The Russian group held from the beginning the belief that the scheme could be carried out in the near future. But it realised fully, without overrating their value, the obvious financial difficulties which have been pointed out from many sides. Since November last, when MM. Timiriazeff and Zweguintzow negotiated in London on behalf of the group, it has set itself the task of studying the various financial aspects of the scheme. A staff of engineers and experts has actually finished its work under supervision of M. Petchkovsky, chairman of the Rostoff-Vladicaucase Railway and member of the group. It is our aim, leaving aside all the details and the calculations, to expose only the net results of these fore-studies, which, we believe, are able to present the whole plan under an entirely new light. It is generally considered as an obvious fact that a railway line in Persia can be built only under a direct Government guarantee. The aforesaid preliminary studies enable us to state that this point of view appears not quite correct when applied to a railway establishing a direct and uninterrupted overland communication between Europe and India, and to corroborate our statement by the following data:—

1. *Preliminary Forecast.*—The length of the railway across Persia will not surpass 1,400 miles, out of which 140 miles have been added in order to avoid the deserts of Dechet and Lut. The building expenditure is calculated at 18,700,000*l.*, the rolling-stock included. (The Russian group possesses surveys made in 1900 by Russian engineers for a large part of the line from the Russian frontier up to Kerman.) This preliminary forecast has been made as broadly as possible within reasonable limits. English experts have expressed the belief that the expenditure would not surpass

15,000,000*l.* The possible receipts of the railway can be obtained from the following sources:—

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(a) Passengers and valuable goods going from Europe to India or vice versa. This paragraph contains also postal communications. Very valuable goods only (over 400 <i>l.</i> the ton) are taken into consideration, on a very moderate scale. Through goods from Europe to Persia are quite left aside.	1,422,000
(b) Goods going from Persia to Russia and British Beluchistan or vice versa	637,000
(c) Local passengers and goods	222,000
(d) Revenue from the use in express train of cars belonging to the Trans-Persian Railway. (The construction of these cars is included in the afore-mentioned building expenses)	154,000
Total	2,435,000
The expenses, the guarding of the railway included, are calculated at	1,725,000
The net revenue being, per annum	709,000

2. *Indirect Guarantees.*—A source of indirect guarantee can be extracted from the surplus revenues gained by the Russian and Indian railway nets after the opening of the direct trans-continental communications. These revenues are valued at 460,000*l.* for the 2,225 miles of Russian railways, which will enter into the through line from Europe to India. The Russian Government, being opposed to a direct guarantee, which may impose a certain burden on the Exchequer, has admitted, on the contrary, the possibility of assuring the interests of the share and bondholders of the new railway out of that sum, which is an unforeseen receipt, obtained thanks to the new through traffic. The same reasoning may be applied to the 1,400 miles (up to Bombay) or miles (up to Calcutta) in India and British Beluchistan, the whole sum exceeding the 709,000*l.*, which the Persian line itself will be able to give to satisfy the said interests. There is no doubt possible that a sum of 1,200,000*l.* per annum would be amply sufficient for that object, out of which only 500,000*l.* have to be provided in the aforesaid manner or in any other way, which can be suggested by the future "société d'études." The is no doubt possible as to the probable development of Persia owing to the railway, which may be combined with useful branch lines. One can also feel secure that, as every new highway of communication and of civilisation, the Indo-European trunk line will create an exchange, of people and of goods, which it is impossible to foretell. The main thing is that, having vast possibilities, the projected railway is based on tangible realities, whereas many railways in Africa, America, or elsewhere have been built with only a reasonable hope for a more or less distant future. Though these preliminary calculations have been made in a prudent manner and are based exclusively on official statistics and established facts, the Russian group believe that further investigations must be begun on a large scale by a special company or syndicate ("société d'études"). That syndicate will have to prepare the ground in all respects for the railway company, to obtain the concession from the Persian Government, and to negotiate all necessary arrangements with the States interested in the through traffic. Russian banks and railway companies have already subscribed a considerable sum for that object, and we may safely assume that at the present time we have obtained all that could be done on the Russian side in order to support the scheme. The next step consists in the formation of the "société d'études" and depends wholly on the attitude of the British Government and of competent circles in England.

Latest Events in Politics.—The latest events may influence to a certain extent that attitude and make necessary some observations about what we consider as the favourable political consequences of our scheme, which is a direct result of the Anglo-Russian agreement and of the mutual confidence which has arisen as its sequel. After the division of Persia into spheres of influence, the interest of both England and Russia in that country have become identical as far as they are in touch. The integrity of Persia is now a political necessity to both countries and can be assured in the best way by a well-organised Government and by a great railway trunk, which is a guarantee of neutralisation. The absolute lack of improved means of communication makes the regeneration of Persia an impossible task, and the situation may be resumed in a very few words—no roads, especially no railroads, and no resources to keep up order. On the other hand, as a preliminary to the construction of railways, the question of Government guarantees crops up again.

We will repeat here that this last question can be solved adequately only by the construction of a great central trunk line through Persia, with the embranchments

necessary for the development of the country. On the other hand, the various plans which are now under discussion imply a great expenditure, whilst they lack the principal financial asset of the trans-Persian railway—the direct communication with India.

Khanikin-Tehran.—The Khanikin-Tehran line, to which Russia has a right of preference, would lose a great part of its signification and would become financially a difficult problem when a through line running from Baku to Kurrachee would have come into existence. Indian goods will certainly use the direct way, and European goods would find it shorter and cheaper by Russia. In any case, the Khanikin line would have to be built in competition with railways already existing, and there could never be a serious danger of preference tariffs on that line.

Other proposed Railways.—We may as well point out here a certain contradiction which has made itself felt when the question of Persian railways was discussed in various quarters. The same who express doubts about the financial realisation of the trans-Persian scheme advocate a series of railways which would cover the Persian territory with a very expensive spider's web. In that respect we will mention, besides the Khanikin-Tehran Railway, the Trebizond-Van-Khoi line, the Shuster-Tehran line, the Nushki-Seistan line, and, on the Russian side, Enzeli-Tehran and several other lines of penetration. It is evident that these lines, put together, greatly surpass the total length of the projected route. It is strange that they should seem realisable, although their commercial and political value is very small indeed when compared with the overland way to India.

General Advantages.—There is no need to discuss here at any length the various political problems which arise in relation to our scheme. The advantages of the proposed railway can be summarised shortly as follows:—

1. It is the shortest line. We do not mean that it is the shortest link between the Indian and the European railway systems, which would be over Afghanistan, and not over Persia. What we mean is the shortest through line, Calais-Calcutta or Calais-Bombay, taking into consideration the railways already existing. The journey, London-Calcutta, will be possible in less than eight days.

2. It is an uninterrupted line, with no sea to cross from the Channel up to India.

3. It is the cheapest line for goods and passengers owing to the low Russian tariff, applied to 36 per cent. of the distance, Calais-Bombay. The first-class fare, London-Bombay, will be less than 40*l.* It is also the cheapest to build, thanks to geographical conditions, whereas any line in Southern or Western Persia presents very serious difficulties.

4. It is the most favourable line politically, as 84 per cent. of the whole distance from India to Bombay is under British or Russian control; whereas the Bagdad line, for instance, depends even more than the Suez Canal on the attitude of Turkey.

One may add that with the construction of the trans-Persian railway the situation in the Mediterranean loses a part of its vital importance for Imperial communications. Any Russian port—even Archangel—may prove useful for the transport to India of British troops.

5. It does not unite the Moslem world of Turkey with their co-religionaries in India.

6. It simplifies the solution of the Persian Gulf question as well as that of the Bagdad Railway, which will keep all its enormous signification for Turkey, but will not absorb Persian commerce and will not threaten communications with India.

Conclusion.—The members of the Russian group who will assume the task of pursuing negotiations in England will hold at the disposal of the British Government, and of competent persons, the details and calculations which are the result of the aforementioned work.

Appendix.

List of the Members of the Russian Group for the Construction of a Transit Railway Line across Persia.

- A. Bunge, engineer, chairman of the Russo-Belgian Company, of the Eisk Railway, &c.
N. Khomiakoff, ex-president of the Duma, member of the Duma.

V. Timiriacheff, ex-Minister of Commerce, member of the Council of the Empire, chairman of the Anglo-Russian Chamber of Commerce and of the council of the Russian Bank for Foreign Trade.

W. Petchkovsky, chairman of the Vladicaucase Railway.

N. Goutchkof, mayor of Moscow.

Count Andrew Bobrinsky, chairman of the Union of Russian Sugar Manufacturers.

Paul Goukassov, member of the Council of Empire, chairman of the Caspian Naphtha Company and of the council of the Bank for Commerce and Industry.

Prince Alexander Obolensky, member of the Council of Empire.

Peter Bark, director of the Volga-Kama Bank.

V. Joukovsky, member of the Duma.

A. Zweguintzow, member of the Duma.

V. Sahansky, engineer, head engineer of the fore-studies for a railway across Persia in 1900.

N. Raffalovich.

W. Ewert, manufacturer.

S. Palachkovsky, engineer.

E. Dymsha, director of the Vladicaucase Railway and of the Maltzef Works.

A. Pommer, director of the Russian Bank for Foreign Trade.

[15101]

No. 96.

Sir Edward Grey to Sir G. Barclay.

(No. 117.)

(Telegraphic.) P.

Foreign Office, April 24, 1911.

TURCO-PERSIAN frontier.

See my telegram No. 129 of to-day to Sir G. Buchanan.

I should like to have itinerary and instructions submitted before commissioner receives final instructions, but you could in the meantime concert with your Russian colleague with regard to both questions.

[15101]

No. 97.

Sir Edward Grey to Sir G. Buchanan.

(No. 129.)

(Telegraphic.) P.

Foreign Office, April 24, 1911.

TURCO-PERSIAN frontier.

See Sir G. Barclay's telegram No. 134 of the 22nd April.

I do not see how, short of using force, we shall be able to induce Turkey to withdraw her troops, and the best solution would appear to be to refer the question to The Hague Tribunal. Would there be any objection on the part of the Russian Government to advising the Persian Government to accept this way out of the difficulty? Terms of reference and other points of detail might be drawn up by ourselves and the Russian Government after due consultation together.

Our commission should investigate and report as to the extent of the Turkish occupation and as to how far the Turks administer the districts they have occupied; any further data which might be of use, were arbitration accepted, should receive their careful attention. It might prepare to start now, and we should simply inform Porte of fact.

[15492]

No. 98.

Sir G. Barclay to Sir Edward Grey.—(Received April 25.)

(No. 136.)

(Telegraphic.) R.

Tehran, April 25, 1911.

INDIVIDUAL referred to in my telegram No. 113 of 6th April has been appointed by Governor-General to command troops at Shiraz in the place of Nasr-ed-Dowleh since the latter's arrest.

Minister for Foreign Affairs promised me that governor should be instructed to cancel this appointment, but I do not know whether this has been done. (End of R.)

(P.) As the governor already finds himself in a sufficiently difficult position, I am not desirous of pressing the point.

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[15493]

No. 99.

Sir G. Barclay to Sir Edward Grey.—(Received April 25.)

(No. 137.)

(Telegraphic.) P.

SHIRAZ.

Reference to my telegram No. 133 of 22nd April.

Nizam-es-Sultaneh has informed Mr. Knox that he will leave Shiraz without further discussion if he is compelled by Persian Government to release Kawami-ul-Mulk and Nasr-ed-Dowleh, or to send them to Tehran. His Excellency stipulates that a formal trial of the Kawamis should be held at Shiraz, and he appears resolved to resign if this is not accorded.

I have communicated the above privately to Nasr-ul-Mulk and to the Minister for Foreign Affairs, and I have expressed the hope that it may be possible to find a means of satisfying Nizam.

Tehran, April 25, 1911.

[15139]

No. 100.

Sir Edward Grey to Sir G. Barclay.

(No. 118.)

(Telegraphic.) P.

DIZFUL-KHOREMABAD survey.

See my telegram No. 89 of the 24th March.

Lieutenant Wilson must not survey in Russian sphere, but he has the consent of the Russian Government to visit Burujird as an ordinary traveller after the completion of his survey.

Foreign Office, April 25, 1911.

[15517]

No. 101.

India Office to Foreign Office.—(Received April 26.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 22nd April, 1911, relative to the Dizful-Khoremabad survey.

India Office, April 25, 1911.

Enclosure in No. 101.

Viscount Morley to Government of India.

(Telegraphic.) P.

India Office, April 22, 1911.

PLEASE refer to your telegram regarding surveyor, dated the 24th March, 1911. I approve estimate. Half will be borne by Treasury.

[15562]

No. 102.

Messrs. Seligman Brothers to Foreign Office.—(Received April 26.)

Sir,

18, Austin Friars, London, April 25, 1911.

WE have the honour to acknowledge the receipt of your letter of the 21st instant. We note with satisfaction that His Majesty's Government is willing to give its moral support to our proposed loan to Persia, on the understanding and conditions therein stated.

With reference to the last paragraph of your letter, we shall always be pleased to give the fullest consideration to Sir Edward Grey's wishes.

We have, &c.

SELIGMAN BROTHERS.

[15600]

No. 103.

Sir G. Barclay to Sir Edward Grey.—(Received April 26.)

(No. 139.)

(Telegraphic.) P.

SOUTHERN roads.

Reference to my telegram No. 124 dated the 14th April.

I have received following telegram from Mr. Knox at Shiraz :—

Tehran, April 26, 1911.

"I gather that the Governor-General deems it advisable to postpone the question of gendarmerie for the present. His Excellency intends to employ the Government troops, Kashgai, and his own followers in making, during the summer, a series of punitive expeditions against various tribes, and maintains that the gendarmerie, however rapidly it might be organised, would not be ready to take part in these operations. Further, General Maletta has informed him that a force of 600 men, for which a sum of 80,000 tomans would be necessary, is quite useless, and that in his opinion 4,000 men are required. Although Governor-General recognises the justice of this estimate in principle if it is proposed to raise a permanent efficient force, he does not believe that the Central Government are justified in expending such a large sum. Moreover, the need for punitive action is more pressing.

"Nizam is doubtless actuated principally in his attitude by the idea that little scope for speculation will be afforded by the financing of the gendarmerie. Nevertheless, I think that the reasons which he adduces are most plausible, and, notwithstanding the necessity for the organisation of an adequate road police, I consider that immediate punitive action should have precedence if both projects cannot be executed simultaneously.

"I have also been given to understand by his Excellency that the existing road guard might be subsidised by the 80,000 tomans."

Although I am desirous of avoiding, as far as possible, all interference with the Governor-General, still I would submit that if Mr. Knox concurs in the proposed postponement of gendarmerie organisation without demur, his Excellency may receive the impression that we approve.

Subject to your approval, I would therefore propose to instruct Mr. Knox, if it appears likely that this construction will be placed on our attitude, to inform Nizam-es-Sultaneh that he must arrange the matter with the Persian Government, which is responsible for the efficient execution of its engagements regarding the restoration of order on the southern roads to His Majesty's Government.

[15603]

No. 104.

Sir G. Barclay to Sir Edward Grey.—(Received April 26.)

(No. 140.)

(Telegraphic.) P.

OIL company's land negotiations.

With reference to Mr. Marling's despatch No. 110, dated 24th June, 1910, I have the honour to report that the oil company's land negotiations with the Bakhtiari have fallen through. I understand that for land for which the company's agent was authorised to offer 18,000*l.* the Bakhtiari demanded 38,000*l.*

His Majesty's consul at Ahwaz reports that the company's agent has telegraphed to his principals in London recommending that he should be empowered to increase offer up to 30,000*l.*

Lieutenant Ranking, who states that he has exhausted all arguments with the khans, agrees that the offer should be increased, and estimates as a minimum a sum 2,000*l.* less than that asked for by company's agent.

Tehran, April 26, 1911.

[15604]

No. 105.

Sir G. Buchanan to Sir Edward Grey.—(Received April 26.)

(No. 92.)

(Telegraphic.) P.

St. Petersburg, April 26, 1911.

TURCO-PERSIAN frontier.

Your telegram No. 129 of the 24th April. M. Nératof told me to-day that he would rather not express an opinion until we are in possession of more detailed information as to the exact nature of the proposals put forward by Turkey, and as to what points would have to be submitted to the arbitration tribunal. M. Nératof suggests that the British and Russian representatives at Tehran should endeavour to obtain this information from the Persian Government, and that on its receipt the two Governments should consult one another as to what advice they should tender to the Persian Government.

M. Nératof considers it of the highest importance that the two Powers should maintain their rôle of mediators in this frontier question, and that the Powers directly interested should not draw up the terms of reference without first consulting Great Britain and Russia and obtaining their approval.

The joint Anglo-Russian commission should, he thinks, be ready to start for the frontier region in about a fortnight from now, and he thinks it would be best to leave it to the two representatives at Tehran to fix the exact date of its departure. When this date has been agreed upon, he suggests that it should be communicated to the Persian and Turkish Governments.

He is still awaiting M. Poklewski's views as to the instructions to be given to the joint commission and the itinerary which it should follow.

[15670]

No. 106.

*Messrs. F. C. Strick and Co. to Foreign Office.—(Received April 27.)**Baltic House, Leadenhall Street, London,
April 26, 1911.*

Sir,

WE duly received your letter of the 21st instant, contents of which we note. Not having received a letter from Mr. David Brown on Saturday, the 22nd instant, we cabled him on that date, and received a reply from him on Monday. We enclose copies of both these messages.

On Monday, the 24th instant, we received a letter from him, of which we enclose a copy. We also enclose an extract from another letter received from him on the same day on the subject of oxide from the Island of Larak.

In accordance with Mr. Brown's telegram of the 24th instant, we expect shortly to receive a further letter from him regarding Ormuz, and, when this reaches us, we shall at once communicate with you.

We have, &c.
(For Frank C. Strick and Co. (Limited)).
FRANK C. STRICK.

Enclosure 1 in No. 106.

Cablegrams exchanged between Mr. Brown (Tehran) and Messrs. F. C. Strick and Co.

(1.)

Sent to Mr. Brown, April 22, 1911.

WHEN may we expect reply to our letter of the 27th March?

(2.)

Received from Mr. Brown, April 24, 1911.

By mail of the 12th April; further by next mail.

Enclosure 2 in No. 106.

Mr. Brown to Messrs. F. C. Strick and Co.

Dear Sirs,

Tehran, April 12, 1911.

I DULY received your letters of the 25th and 27th March, with enclosures, which I have read with much interest.

As the Muin-ut-Tujjar has so far failed to obtain written authority to me from the Ministry of Finance and the Ministry of Mines and Public Works with regard to discounting the bill for 24,000l., I yesterday instructed the Imperial Bank of Persia to refund you the 6,000l. which you had paid them to be held at my disposal on the 24th March. The situation is very obscure. It is difficult to understand why the late Sani-ed-Dowleh gave this bill of 24,000l. to the Muin-ut-Tujjar. There is still a possibility that the transaction may be repudiated by the present Cabinet.

I have, &c.

DAVID BROWN.

Enclosure 3 in No. 106.

Mr. Brown to Messrs. F. C. Strick and Co.

(Extract.)

Tehran [undated].

I HAVE just received a note from Sir George Barclay telling me that Colonel Cox telegraphs from Bushire that a rumour reaches him from Bunder Abbas that a contract is to be given for export of oxide from Larak Island. I will make enquiries here and inform you of the result.

[15708]

No. 107.

Sir G. Barclay to Sir Edward Grey.—(Received April 27.)

(No. 141.)

(Telegraphic.) P.

Tehran, April 27, 1911.

I HAVE received an intimation from Sardar Assad, as has also Lynch's agent in Tehran, that the Bakhtiari Khans decline to take any further responsibility for the safety of the Ispahan-Ahwaz road in view of the Kuhgilui situation. Only in the case of robberies committed by Bakhtiari will they accept responsibility.

This step, Sardar Assad states, has been rendered necessary by the general anti-Bakhtiari policy followed by the Governor-General of Shiraz. The Nizam-es-Sultaneh has nominated one of Soulet-ed-Dowleh's minions to the governorship of Behbahan, where the Kuhgilui tribe has its head-quarters. This man, in order to stir up trouble for the Bakhtiari, will incite the Kuhgilui to rob caravans travelling along the road, which is to them easily accessible, running, as it does, for a long distance adjacent to the country north of Behbahan. In connection with article 6 of the Lynch Concession (please refer to C. Hardinge's despatch No. 57 of 1897), I am told by Sardar Assad that the employment of a considerable force for the purpose of safeguarding the road would be necessary. If, as has usually been the case hitherto, the governorship of Behbahan were held by a Bakhtiari, or, at least, were not under hostile control, the Bakhtiari would have no anxiety.

Mr. Wilson, as a result of Sardar Assad's communication, has telegraphed to Ahwaz instructing Lynch's agent there to discontinue the forwardment of merchandise until instructions are received from his principals. He is at the same time informing head office.

This repudiation of responsibility on the part of the khans, closing, as it does, one more highway of British commerce, is very serious.

I am withholding suggestions as to what steps I should take pending the result of further enquiries.

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[15600]

No. 108.

Sir Edward Grey to Sir G. Barclay.

(No. 119.)

(Telegraphic.) P.

Foreign Office, April 27, 1911.

STATE of southern roads (see your telegram No. 139 of the 26th April).
Instructions to consul have my approval.
What is your view as to course we should adopt if Persian Government postpone gendarmerie organisation, and as to advice they have lately received from Nizam?

[15604]

No. 109.

Sir Edward Grey to Sir G. Barclay.

(No. 120.)

(Telegraphic.) P.

Foreign Office, April 27, 1911.

TURCO-PERSIAN frontier (see Sir G. Buchanan's telegram No. 92 of the 26th April).
Please do what you can to obtain further information required in concert with your Russian colleague.

[15483]

No. 110.

Sir Edward Grey to Sir G. Barclay.

(No. 121.)

(Telegraphic.) P.

Foreign Office, April 27, 1911.

MOHAMMERAH-KHOREMABAD line. Your telegram No. 135 of the 23rd April.
Cox thinks that Persian objection to line terminating at Russian sphere might be overcome if line were to stop at Dizful.
As you are not coming home, please let me have your views as to what step should be taken next.

[15788]

No. 111.

Board of Trade to Foreign Office.—(Received April 28.)

Sir,

Board of Trade, April 26, 1911.

I AM directed by the Board of Trade to refer to your letter of the 7th April with enclosures respecting the sulphur deposits at Bostaneh, in which you suggest that a communication with regard thereto should be made to Messrs. Strick and other British firms.

The Board have communicated with Mr. F. C. Strick and with Messrs. Ellinger and Company on the subject, and both Mr. Strick and Mr. Ellinger have called at this Office with a view to explaining their attitude in the matter.

Mr. Ellinger points out that the concession for the Bostaneh deposits forms part of the original concession to the Muin-ut-Tujjar, whose agents his firm are; that they do not admit that this concession has lapsed *de jure*; and that they consider that His Majesty's Government is committed to support the Muin's claim. In the circumstances, they protest strongly against any action being taken by His Majesty's Government in the direction of influencing the grant of a separate concession for the sulphur deposits, and thus prejudicing their rights in the matter, so long as the rights of the Muin to the original concession remain in dispute. They have already in the past taken steps to examine the deposits with a view to working them.

In the event of the Muin being definitely proved to have no right to the concession, Mr. Ellinger's firm would be desirous of interesting themselves further in the Bostaneh deposits; but pending the settlement of this question, he cannot admit that any other firm can be entitled to acquire any rights in the matter.

On the other hand, Mr. Strick states that, as represented in your letter, he has already made an application for a comprehensive concession which would cover the deposits, and will endeavour, should he fail to obtain it, to secure at least the grant of

a monopoly to work the sulphur. Mr. Strick in turn is anxious for official support, or at least that nothing may be done to encourage any other firm to compete with his.
In view of this situation the Board propose to take no further steps in the matter.
I am, &c.

GEO. J. STANLEY.

[15829]

No. 112.

Manchester Chamber of Commerce to Sir Edward Grey.—(Received April 28.)

Sir,

Manchester, April 27, 1911.

I AM desired by the board of directors of this chamber respectfully to bring before you the terms of a resolution which has been adopted by them with reference to the Bagdad Railway scheme and British commerce in Mesopotamia and Persia:—

"That in view of the recent acquisition by the Bagdad Railway Company of the lease of the port of Alexandretta, with powers to extend their railway project from the coast of Syria to Bagdad and the Persian frontier, the board of directors urge upon the Foreign Office the necessity of effectively safeguarding the interests of British commerce in Mesopotamia at Bagdad, and between Bagdad and the Persian frontier."

I perhaps ought to add that this resolution is sent by the directors not so much in the belief that it is necessary, in order to urge the Foreign Office to take all needful steps in the protection of British interests, but rather in the belief that a resolution at this moment may be helpful to you and that it is not discordant with your views.

I have, &c.

WALTER SPEAKMAN, *Secretary.*

[15867]

No. 113.

Sir G. Barclay to Sir Edward Grey.—(Received April 28.)

(No. 142.)

(Telegraphic.) R.

Tehran, April 28, 1911.

MY telegram No. 127 of 17th April.

Cabinet's programme of expenditure of proceeds of Imperial Bank of Persia's loan and the loan contract have occupied attention of Medjliss at last three sittings. Programme was severely criticised by Opposition, and at second sitting it was resolved to leave it for subsequent consideration and to discuss contract, which was read a first time yesterday, its terms being hotly attacked by the Opposition. Minister of Finance proposed that second reading should take place at same sitting. Motion was rejected, a number of so-called Ministerialists voting with the Opposition.

[15866]

No. 114.

Sir G. Barclay to Sir Edward Grey.—(Received April 28.)

(No. 143.)

(Telegraphic.) R.

Tehran, April 28, 1911.

YOUR telegram No. 117 of 24th April: Turco-Persian frontier.

Instructions which Russian Minister and I would propose for our delegates are following:—

"They are to examine and reply as to how far Turkish occupation extends, as to how far occupied districts have brought under Turkish administration, and as to feeling of local population towards Turks. They are to collect information which may throw light on ultimate object of Turkish encroachments and any data which may be useful in case dispute is referred to arbitration, and more particularly to establish as far as possible what was *de facto* frontier in 1905. In case of open obstruction on the part of Turkish authorities, delegates are not to proceed by force. They should jointly record incident in a *procès-verbal*. Armed conflicts must be avoided at any price."

It would seem unnecessary to communicate these instructions to Turkish and Persian Governments. It might be enough to say delegates are instructed to make

themselves fully acquainted with situation on the spot, to communicate to both Governments itinerary, and to request Porte to instruct local authorities to give passage even if latter have temporarily to enter Turkish territory.

[15878]

No. 115.

Sir G. Barclay to Sir Edward Grey.—(Received April 28.)

(No. 144.)

(Telegraphic.) R.

Tehran, April 28, 1911.

MY immediately preceding telegram of 28th April.

We think that tour ought to begin from north, proceeding southwards along frontier, returning more to eastward parallel to Lake Urumia according to following itinerary, [?] taking Disahalil, Khoi, Kotur, Dilman, Tcharill, Somai, Baradost, Urumia, Tergaver, Desht, Mergaver, Ushnu, Kalishin, Djildian, Pasveh, Serdesht, Banneh, Soujboulak, Nagadisk, Solduz, Jebelkender, Urumia, then by road nearest lake through Kuschzaschi back to Tabreez.

Delegates must [be] allowed to choose the routes as passable in and between localities indicated.

As soon as we learn our itinerary and instructions are approved, and date of beginning of tour fixed, we should propose to repeat our invitation to Persian Government to appoint a delegate.

From remarks made by Minister for Foreign Affairs, my Russian colleague is led to believe Persia's attachment of greatest importance to delegates visiting *de facto* frontier in 1905.

[15978]

No. 116.

Messrs. Ellinger and Co. to Foreign Office.—(Received April 29.)

Sir,

28, Oxford Street, Manchester, April 28, 1911.

WE beg to hand you enclosed copy of letter received by us from the Commercial Department of the Board of Trade, together with copy of our reply thereto, for your perusal.

We think it is unnecessary to repeat all that is contained in our letter to the Assistant Secretary to the Board of Trade, as His Majesty's Government is well aware of all the facts connected with this question, and we beg that His Majesty's Government will now make it quite clear to His Majesty's consul-general at Bushire and to the vice-consul at Bunder Abbas that His Majesty's Government cannot sanction any effort on their part to interest anyone other than ourselves in the development of these mines.

We are, &c.

ELLINGER AND Co

Enclosure 1 in No. 116.

Board of Trade to Messrs. Ellinger and Co.

(Confidential.)

Gentlemen,

Board of Trade, April 19, 1911.

I AM directed by the Board of Trade to state that their attention has recently been drawn to the question of the concession for working the sulphur deposits at Bostaneh, near Lingah, on the Persian Gulf.

The working of the deposits has, since the lapse of the concession accorded to the Muin-ut-Tujjar, been in abeyance, but the Board understand that there is a considerable demand for the sulphur, and it has been suggested by His Majesty's consul-general at Bushire that a new concession (limited to the Bostaneh mines) might be worth taking up, in which case it would, for various reasons, be desirable that the matter should be carried through as soon as possible.

I am therefore to enquire whether you would be inclined to interest yourselves in a concession for the working of these mines.

I am, &c.

GEO. J. STANLEY.

Enclosure 2 in No. 116.

Messrs. Ellinger and Co. to Board of Trade.

Sir,

28, Oxford Street, Manchester, April 28, 1911.

WITH reference to yours of the 19th instant and to the conversation with our Mr. M. Ellinger on Thursday last, the 20th instant, we note that the attention of the Board of Trade has recently been drawn to the question of the concession for working the sulphur deposits at Bostaneh, near Lingah, on the Persian Gulf.

You further state in your letter under reply that the working of the deposits has, since the lapse of the concession accorded to the Muin-ut-Tujjar, been in abeyance, but that the Board understand there is a considerable demand for the sulphur, and that it has been suggested by His Majesty's consul-general at Bushire that a new concession (limited to the Bostaneh mines) might be worth taking up, and that you therefore enquire whether we would be inclined to interest ourselves in a concession for the working of these mines.

As explained to you by our Mr. M. Ellinger, we have for a considerable period been interested in the working of these mines, and have already sent out at different times within recent years three engineers to explore the mines and erect furnaces and direct the calcining of the sulphur.

The operations hitherto have only been carried on on a small scale, and the Muin-ut-Tujjar, during the troubled political conditions of his country, has been reluctant to develop the mines to the fullest extent, no doubt for fear that the successful working of the mines on a large scale would still further increase the envious eyes cast upon his concession and the difficulties he has had to face in regard to same.

Considerable difficulty has also been experienced in getting satisfactory European engineers, but we recently arranged with two engineers, in whom we had confidence, to go out for the purpose of superintending the development of the mines.

This expedition, however, was postponed, as we were advised by the Foreign Office that in the existing political conditions of Persia it would not be feasible to obtain the authority of the central authorities for the necessary inspection of the district, and we were given to understand that all that could be done at that time would be to give facilities to our engineers for short visits to the localities accompanied by His Majesty's vice-consul at Bunder Abbas, which in our opinion and the opinion of our engineers would have been insufficient for the purpose.

As soon as conditions in Persia are settled, and the Muin has been confirmed in the possession of the concession, we shall certainly be quite willing to interest ourselves in developing these mines.

In view of your letter being so expressed as to convey the idea that the supposed lapse of the Muin-ut-Tujjar's concession has opened the way for a new concession being obtained for working the Bostaneh sulphur mines, which are an integral part of the Muin-ut-Tujjar's concession, we think it very necessary to point out to you that we have been for a considerable time past maintaining that the Muin-ut-Tujjar's concession has never lapsed at all except in the sense of his having been forcibly dispossessed of it under circumstances which have been the subject of prolonged communication between ourselves and His Majesty's Government through the Foreign Office. Without entering into details, which appear very fully in that correspondence, we may say that, while His Majesty's Government did not originally accord to us their support in upholding the Muin-ut-Tujjar's concession to the extent that we had reason to expect, we think that the Foreign Secretary is now convinced that the Persian Government have signally failed to justify their action, and that we may now hope for the active support of His Majesty's Government, not only for ourselves, but for the Muin. The Persian Government has also itself given strong indications that the interference with the Muin's rights is now seen by them to have been an arbitrary act of injustice. We are at all events absolutely entitled to maintain, in the strongest possible terms, that the question of the validity of the concession is at present *sub judice*, and under these circumstances we are quite sure that His Majesty's Government cannot and will not sanction any effort on the part of His Majesty's consul-general at Bushire to interest any one other than ourselves in the development of these mines.

We are sending the Foreign Office a copy of your letter of the 19th instant and of this reply, with the request that they may inform His Majesty's consul-general at Bushire and the vice-consul at Bunder Abbas of the circumstances as explained in this letter.

We are, &c.

ELLINGER AND Co.

[1798]

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[16003]

No. 117.

Sir G. Barclay to Sir Edward Grey.—(Received April 29.)

(No. 145.)

(Telegraphic.) P.

Tehran, April 29, 1911.

SOUTHERN roads.

In reply to your telegram No. 119 of the 27th April, I have the honour to report that I agree with Mr. Knox in thinking that, if the organisation of the gendarmerie and the punitive action contemplated by Nizam-es-Sultaneh cannot be undertaken simultaneously, precedence should be given to the punitive action. At the same time, I do not see why the latter should be incompatible with the beginning of gendarmerie organisation on a small scale, and I submit that we should hold the central Government, at least, to this.

At the present moment a force of 600 men would, without doubt, be useless, but they would form a useful nucleus out of which an adequate force for the protection of the road could be built, supposing that the punitive action materialises.

Mr. Knox informs me that he has already in conversation given Nizam to understand that the policing of the road by a regular force is a question which His Majesty's Government consider to be of the highest importance. He is of opinion that it might be well to postpone the further communication proposed until some solution in the present matter of the Kawamis is reached.

I share his view, and am instructing Mr. Knox to defer making the communication until he judges the moment favourable.

[16005]

No. 118.

Sir G. Barclay to Sir Edward Grey.—(Received April 29.)

(No. 146.)

(Telegraphic.) P.

Tehran, April 29, 1911.

SHIRAZ.

With reference to my telegram No. 137 of the 25th April, I have the honour to report that, having learnt from Sardar Assad that he would agree to the Kawamis being sent to Europe, I instructed Mr. Knox, at the request of the Minister for Foreign Affairs and with the approval of Nasr-ul-Mulk, to use his influence to induce Nizam-es-Sultaneh to fall in with this arrangement.

Mr. Knox telegraphs as follows in reply:—

"In reply to my advice, Nizam informed me this morning that he is fully alive to the fact that his position in Shiraz is being injured by every day's delay in coming to a solution. His Excellency, however, is firmly determined to accept no compromise, and to leave his post irrevocably as soon as he feels that his authority is on the wane. In the event of the Kawamis being exiled to Europe, his former experiences, he states, teach him that he could have no reasonable guarantee that they will not return to the country again via the north. Even apart from this consideration, the fact that such a step would be interpreted by everyone in Shiraz as the triumph of the Kawami's party in the capital would suffice in itself to render vain any hope of successful governorship if he yielded to the instances of the central Government.

"His Excellency's former confidence has abandoned him, and he took several opportunities of impressing on me, in the expectation of imminent failure, that he calls His Majesty's Government to witness that he has done all in his power to carry out the only sane policy that can be followed in Fars, and that, should it end in insuccess, they must not hold him to blame.

"Energetic efforts are being made by Soulet-ed-Dowleh to have the bazaar closed to-morrow as a protest against the delay in executing Kawam-ul-Mulk and Nasr-ed-Dowleh. A protest in the same sense was made yesterday afternoon to Nizam by a large deputation of merchants and notables."

[16021]

No. 119.

Sir G. Barclay to Sir Edward Grey.—(Received April 29.)

(No. 147.)

(Telegraphic.) P.

Tehran, April 29, 1911.

BAKHTIARI and Lynch road.

In continuation of my telegram No. 141 of the 27th April, I have the honour to report that Sardar Assad has informed Mr. Wilson, Lynch's agent in Tehran, that up till the end of May there is little likelihood that the Kuhgelui tribesmen will disturb order on the road. In view of Sardar Assad's statement, Mr. Wilson has arranged that traffic should be temporarily resumed on the road.

In the meanwhile, I have some hope of an arrangement being found by the Persian Government which will satisfy Sardar Assad and withal not weaken the Governor-General of Fars.

[15878]

No. 120.

Sir Edward Grey to Sir G. Buchanan.

(No. 134.)

(Telegraphic.) P.

Foreign Office, April 29, 1911.

TURCO-PERSIAN frontier.

Please refer to Sir G. Barclay's telegrams Nos. 143 and 144 of the 28th April.

Please ask Russian Government, if they approve proposed instructions to delegates and itinerary, and procedure suggested by Sir G. Barclay, to send instructions accordingly to Russian Minister at Tehran. We propose to concur on all points.

[16325]

No. 121.

Sir G. Barclay to Sir Edward Grey.—(Received May 1.)

(No. 148.)

(Telegraphic.) R.

Tehran, May 1, 1911.

YOUR telegram No. 120 [of 27th April: Turco-Persian frontier].

Minister for Foreign Affairs yesterday gave us particulars of Turco-Persian negotiations, and allowed us to take copies of Turkish proposals and of amendments desired by his Excellency.

At about the time when we invited Persian Government to appoint delegate to join in proposed tour on frontier, Turkish Ambassador began to press Persian Government to discuss appointment of a Turco-Persian frontier commission. Minister for Foreign Affairs asked that pourparlers to this end might be in writing, and posed withdrawal from Persian territory as a condition precedent to appointment of commission.

Turkish Ambassador a day or two ago submitted a draft protocol to be signed by both parties, which he asked Persian Government to discuss at once. When we visited Minister for Foreign Affairs on 29th April to carry out our instructions, his Excellency told us that he had been himself about to communicate this draft protocol to us.

Turkish proposal is for a Turco-Persian commission to sit at Constantinople for defining frontier. Persian delegates to be furnished with all necessary documents to establish Persian contentions. A second joint commission is afterwards to do actual delimitation on the spot.

Basis of discussion is to be the Treaty of Erzeroum and the diplomatic correspondence exchanged at the time of its conclusion. Also the clauses of earlier treaty not abrogated by above-mentioned treaty according to article 9.

In the event of disagreement as to interpretation and application of the clauses of the treaties, points in dispute will be submitted to The Hague Tribunal. "Negotiations" to begin when new Persian Ambassador reaches Constantinople.

Minister for Foreign Affairs adheres to his condition as to withdrawal of Turkish troops, but though Turkish Ambassador has rejected this, he is continuing negotiations and is proposing following amendments in Turkish draft protocol: Commissioners of both sides are to be provided with all documents in support of their contentions; basis of negotiations to be treaty of Erzeroum and the correspondence exchanged between the two Governments, the tenour of which is in conformity with same treaty.

As regards Turkish proposal about clauses of the earlier treaties, Minister for Foreign Affairs proposes either to omit any mention of them or to refer to articles 2 and 3 as well as article 9.

Minister for Foreign Affairs fears any show of reluctance on his part to continue negotiations may give pretext for further encroachments. At the same time he quite sees that signature of a protocol without simultaneous withdrawal of Turkish troops would lead to an indefinite Turkish occupation and serve as an excuse for declining any eventual mediation of two Powers. His Excellency proposes to submit his amended draft by post to Constantinople, with a promise to sign protocol if his terms are accepted and troops withdrawn, at the same time undertaking to make a fresh proposal if his present one is not accepted. This, Minister for Foreign Affairs thinks, as troops are not likely to be withdrawn, will give him an opportunity of making further proposals with advice of two Powers and their support in Constantinople.

General purport of our conversation with Minister for Foreign Affairs leads us to believe that submission to arbitration of the whole frontier dispute would be agreeable to Persian Government.

If, therefore, two Governments concur in desiring this course, best way of proceeding would be, in our opinion, for them to draft terms of reference to Hague tribunal, and for Persian Government to propose these terms to Porte, with strong British and Russian support.

Minister for Foreign Affairs' intention of making a fresh proposal if Porte rejects his terms affords us time and opportunity for this course.

Russian Minister is telegraphing in similar terms.

[16327] No. 122.

Sir G. Barclay to Sir Edward Grey.—(Received May 1.)

(No. 149.)

(Telegraphic.) P.

Tehran, May 1, 1911.

SWEDISH officers for gendarmerie.

Swedish interests in Persia have, I understand, long been in charge of the French Legation.

French chargé d'affaires informs me that his Government have now asked whether he sees any objection to the Swedish officers for the Persian gendarmerie being registered at the French Legation as enjoying French protection, and to the insertion of a clause in their contracts whereby any difficulties that may arise in connection with the interpretation of the contracts shall be deferred to the arbitration of the French Legation.

I have been asked my opinion by French chargé d'affaires, and I have replied that I see no objection.

(Confidential.)

M. du Halgouet was until now unaware that Swedish interests were looked after by French Legation.

[16334] No. 123.

Sir G. Barclay to Sir Edward Grey.—(Received May 1.)

(No. 150.)

(Telegraphic.) P.

Tehran, May 1, 1911.

SHIRAZ.

The Kawami complication seems as yet no nearer a solution. Faced on the one side by Sardar Assad's insistence and on the other by the intransigent attitude of Nizam-es-Sultaneh, the Government is non-plussed.

I received this afternoon a call from Regent's private secretary, who told me that his Highness viewed the situation with considerable apprehension. He begged me to instruct Mr. Knox to urge again the need for moderation on the Nizam. In reply I reminded Hohannes Khan that up till now no effect had been produced by the advice I had tendered to Governor-General, and I stated that I was loth to approach his Excellency further lest he should make the pressure I had exerted a pretext for resignation, which would be very awkward.

[16332]

No. 124.

Sir G. Buchanan to Sir Edward Grey.—(Received May 1.)

(No. 95.)

(Telegraphic.) R.

St. Petersburg, May 1, 1911.

YOUR telegram No. 134 of 29th April: Turco-Persian frontier.

Russian Government concur, and will send instructions accordingly.

[16327]

No. 125.

Sir Edward Grey to Sir G. Barclay.

(No. 124.)

(Telegraphic.) P.

Foreign Office, May 1, 1911.

SWEDISH officers. Your telegram No. 149 of the 1st May.

His Majesty's Government have no objection.

[16485]

No. 126.

War Office to Foreign Office.—(Received May 2.)

SIR WILLIAM NICHOLSON presents his compliments to the Under-Secretary of State for Foreign Affairs, and begs to offer the following remarks on the accompanying papers. In doing so he must explain that he has been unable to study the question as carefully as he could wish, owing to the very short time at his disposal:—

1. It is not clear what advantage we shall gain by railway construction in Southern Persia. The Mahomedan population is small and turbulent, the country is badly governed, life and property are insecure, and though some districts are fertile most of Southern Persia is believed to consist of mountains and deserts. In this connection the following quotation from "The Statesman's Year-Book, 1910," page 1087, is of interest: "According to the latest and most trustworthy estimates, the country—extending for about 700 miles from north to south and for 900 miles from east to west—contains an area of 628,000 square miles. A vast portion of this area is an absolute desert, and the population is everywhere so scanty as not to exceed on the average fifteen inhabitants to the "square mile." Our trade in the Gulf is of comparatively trivial aggregate value, and what there is of it is chiefly carried on by a few Parsi merchants in Bombay. Railways will be costly to make and maintain, they will be difficult to guard, and while the traffic in the first instance will certainly be small the prospect of its increase, at any rate for a long time to come, is very problematical. It may perhaps be contended that it is our duty to civilise Southern Persia on humanitarian grounds. If so, we must be prepared to undertake much unproductive expenditure, and to impose a further strain on our naval and military resources which, putting Persia aside, are barely sufficient to meet the defensive requirements of the British Empire.

2. It will always be easier and cheaper to carry on our passenger traffic and our commerce with India by sea than by land. Moreover, the climate of the Gulf and the coast of Southern Persia during the hot weather is a serious obstacle to railway communication in that region.

3. It is proposed by the military authorities in India that a long stretch of the railway should run along the seaboard from Bunder Abbas to Karachi. This is a very inhospitable coast with little water, and exposed to predatory attack from the north, as is shown by the Afghan kafilas which come down to the Gulf yearly to obtain arms and ammunition. To protect this part of the railway we should have to increase our naval force in the Gulf and to distribute a military force along the line. At some point along the coast section, i.e., at or near Bunder Abbas, or at a suitable place between Bunder Abbas and Karachi, it is proposed that we should construct and garrison a fortress capable of blocking a possible invasion of India. Whether warships are likely to be of much use for guarding a railway, and whether a fortress astride a railway is the best obstacle against invasion, are questions which are open to argument. But in any case we should have to pay heavily for these precautions, and it has to be considered how the ships and troops are to be provided. We have no spare men-of-war outside home waters, and the British and native garrison of India is not in excess of local requirements. Besides this, service on the coast-line of Southern Persia and Baluchistan in

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the hot weather would be almost unendurable for British troops and extremely distasteful to the native army.

4. It is submitted that, from a naval and military point of view, our responsibilities for the defence of the Empire are so extensive at present that it would be folly to add to them with the object of benefiting and tranquillising Southern Persia. From a financial point of view, no country is rich enough to incur large unproductive expenditure except for its own safety or in furtherance of its own interests. In proportion as we spend British capital on the railway under reference and employ naval and military force for its protection we shall weaken ourselves in other and more important directions.

War Office, April 26, 1911.

[16605] No. 127.

Sir G. Barclay to Sir Edward Grey.—(Received May 2.)

(No. 151.)
(Telegraphic.) P.
RAILWAYS.

Tehran, May 2, 1911.

Reference to your telegram No. 121, dated the 27th April.

I forwarded by bag, which left Tehran on the 21st April, a despatch (No. 55, dated the 18th April), reporting that in the opinion of Nasr-ul-Mulk the course which would be most likely to recommend itself to the Persian Government would be an application for a line from the Persian Gulf to the Russian frontier on behalf of an Anglo-Franco-Russian syndicate. His Highness suggests that it might be possible for His Majesty's Government and Russian Government to come to some arrangement with the syndicate, whereby British management should control the sections in the British and neutral spheres while those in the Russian zone should be under Russian control.

The Russian Government would not, I presume, view this proposal with favour: they apparently do not desire M. Poklewski to enter upon the private discussion on the subject of railways alluded to in my telegram No. 107 of the 1st April. Russian Minister was merely authorised to find out Regent's views and to report thereon. He has received no reply to a telegram in which he reminded his Government that his Highness desired to discuss the matter.

The likelihood of Persian Government granting any railway option to His Majesty's Government appears to me so remote that if you consider Regent's suggestion to be unfeasible and still desire that the scheme should retain a purely British character, I believe that the plan of conducting negotiations through a syndicate would be best. It would seem to offer the best chance of overcoming Persian objections to the Khormusa-Khoremabad line.

In replying to the Persian Government's note we might emphasize the purely commercial character of the railway in question, and state that we are willing to encourage a British syndicate to enter upon negotiations with the Persian Government with a view to ascertaining the lines on which the railway in question could be constructed with due regard to the interests of the country.

The project of a line which should have its terminus at Dizful would not, I think, prove any more acceptable to the Persian Government. It would not be so advantageous from a commercial point of view as the Khoremabad line, and it would be difficult to induce Persian Government to believe that its restricted extent was governed by other than political reasons.

[16003] No. 128.

Sir Edward Grey to Sir G. Barclay.

(No. 125.)
(Telegraphic.) P.

Foreign Office, May 2, 1911.

SOUTHERN roads. Your telegram No. 145 of the 29th April.

While concurring in view that communication should be postponed, I hold that, if Persian Government show signs of putting off organisation of gendarmerie, they should be held to their undertakings in the matter.

[16334] No. 129.

Sir Edward Grey to Sir G. Barclay.

(No. 126.)
(Telegraphic.) P.

Foreign Office, May 2, 1911.

KAWAMI. Your telegram No. 150 of the 1st May.
I approve your answer to Regent's private secretary.

[13712] No. 130.

Foreign Office to India Office.

Sir, *Foreign Office, May 2, 1911.*
I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 12th ultimo relative to the suggestion of the commercial adviser to His Majesty's consulate-general at Bushire that a concession should be obtained from the Persian Government for the construction, by British capital, of a motor road from that port to Shiraz.

I am to inform you, in reply, that Sir E. Grey concurs in the opinion expressed by Viscount Morley, that the project is worthy of examination, and in his proposal to ask the Government of India for a fuller expression of their views on the subject.

I am to add that Sir E. Grey is disposed to favour the idea of a motor road, in preference to that of a railway, from Bushire to Shiraz.

I am, &c.
LOUIS MALLET.

[16640] No. 131.

Sir G. Barclay to Sir Edward Grey.—(Received May 3.)

(No. 152.)
(Telegraphic.) R.

Tehran, May 3, 1911.

MY telegram No. 142 of 28th April.

Imperial Bank of Persia's loan was accepted by Medjliss yesterday in spite of strenuous opposition of sixty-five Democrats.

Proceeds are to remain in hands of Imperial Bank of Persia until Medjliss has approved Cabinet's programme of expenditure and its proposals for control.

[16644] No. 132.

Sir G. Buchanan to Sir Edward Grey.—(Received May 3.)

(No. 96.)
(Telegraphic.) P.

St. Petersburg, May 3, 1911.

TURCO-PERSIAN frontier.

I spoke to-day to the Acting Minister for Foreign Affairs on the subject of Sir G. Barclay's telegram No. 148 of the 1st May. His Excellency had received a similar telegram from the Russian Minister at Tehran, which he said contained several points which would require very careful examination before he could express an opinion. He appeared, however, to be of the opinion that the proposed arbitration should be limited to those matters with respect to which the proposed Turco-Persian commission might not succeed in coming to an agreement.

[16332] No. 133.

Sir Edward Grey to Sir G. Barclay.

(No. 128.)
(Telegraphic.) P.

Foreign Office, May 3, 1911.

TURCO-PERSIAN frontier. Sir G. Buchanan's telegram No. 95 of the 1st May.

You may act as proposed in last paragraph of your telegram No. 143 of the 28th April when your Russian colleague is similarly instructed.

[16332]

No. 134.

Sir Edward Grey to Sir G. Lowther.

(No. 118.)

(Telegraphic.) P.

Foreign Office, May 3, 1911.

TURCO-PERSIAN frontier. Sir G. Buchanan's telegram No. 95 of the 1st May. For itinerary see Sir G. Barclay's telegram No. 144 of the 28th. You may make communication to Turkish Government in the sense of last paragraph of Sir G. Barclay's telegram No. 143 of the 28th April when your Russian colleague is similarly instructed.

[16325]

No. 135.

Sir Edward Grey to Sir G. Buchanan.

(No. 141.)

(Telegraphic.) P.

Foreign Office, May 3, 1911.

TURCO-PERSIAN frontier. Your telegram No. 92 of the 26th April. Proposal for referring points in which proposed Turco-Persian Commission failed to agree to arbitration has our entire approval, and we should support Persian Government were they to suggest submitting whole dispute to arbitration in the event of the two Governments failing to come to terms as to a commission.

The announcement to the Porte that the commission is preparing to start may induce them to accept the Persian Government's terms, and, therefore, comes opportunely as a counter to Turkish proposals, evidently put forward from dislike of our commission and from a wish to get rid of mediation by ourselves and the Russians.

In my view, we should advise the Persian Government unofficially and confidentially, whilst keeping ourselves in the background. Further, we could help Persian Government to prepare terms of reference if parties concerned arrange to refer whole question to arbitration.

Persian Government are prepared to demand withdrawal of Turkish troops from undoubted Persian territory as a condition prior to the signing of any protocol.

I should be glad to know whether Russian Government think that we should express any opinion to them as to desirability of insisting on a stipulation of this kind, and whether they concur in the main in the course of action suggested above.

[16340]

No. 136.

Sir Edward Grey to Sir G. Barclay.

(No. 131.)

(Telegraphic.) P.

Foreign Office, May 4, 1911.

IMPERIAL Bank's loan. Your telegram No. 152 of the 3rd May. I instruct you, unless you see some serious objection to such a course, to urge Persian Government that proposed gendarmerie for policing of roads should have the first call on the loan.

[16605]

No. 137.

Sir Edward Grey to Sir G. Barclay.

(No. 132.)

(Telegraphic.) P.

Foreign Office, May 4, 1911.

MOHAMMERAH-KHOREMABAD line. Your telegrams Nos. 135 and 151. You should take note of fact that Persian Government are willing to enter into negotiations with a British syndicate, and if you think their undertaking is not clear enough you should ask them for a written assurance that they will enter into negotiations with a private British syndicate when they desire to undertake the construction of the Mohammerah line or any other southern lines. You should at the same time inform them that His Majesty's Government will stand aside entirely, as they quite appreciate the reluctance of the Shah's Government to grant an option for a railway in Persia to a foreign Government.

As the Russian Government do not wish to see the railway constructed, and as other countries would also require admission if the French were admitted, I do not think that the Regent's idea of a Franco-Russo-British combination is practical.

(Confidential.)

If you agree to this course, we propose to tell the Russian Government briefly of the Persian answer and of their preference for negotiations with a British syndicate, and to inform the Imperial Bank, the Transport Company, and Mr. Greenway that the field is clear for them to negotiate, and that before construction is begun an understanding will be arrived at with them. The plan of negotiations with a British syndicate will relieve us of the invidious necessity of giving a preference to one syndicate over another, and it suits us better to stand aside altogether than to acquire an option ourselves.

[16856]

No. 138.

India Office to Foreign Office.—(Received May 5.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 13th April, 1911, relative to proposed wireless installations in the Persian Gulf.

Copy has been sent to the Admiralty.

India Office, May 4, 1911.

Enclosure 1 in No. 138.

Government of India to Commander-in-Chief, East Indies.

Fort William, December 23, 1910.

I AM directed to inform your Excellency that the Government of India have under consideration the question of the advisability, on grounds of general policy, of establishing permanent wireless installations in the Persian Gulf at Bahrein, Bushire, Debai, Lingah, Koweit, and Bunder Abbas, as distinct from the question of temporary installations for the purposes of the arms blockade.

2. This question was discussed in 1903 by a sub-committee of the Committee of Imperial Defence, of which sub-committee your Excellency was a member, and before which you offered certain suggestions and opinions. I am now to request that your Excellency will be so good as to favour the Government of India at an early date with your views on the question; and to enquire whether, after practical experience of the Persian Gulf, your Excellency is of opinion that the establishment of wireless stations at the places mentioned is desirable, or whether you adhere to the opinion, which it is understood you expressed in 1908, that only two stations, namely, Henjam or Basidu and Bahrein, are necessary as a first outlay.

Enclosure 2 in No. 138.

Commander-in-Chief, East Indies, to Government of India.

Bombay, February 4, 1911.

WITH reference to Marine Department letter, dated the 23rd December, 1910, relative to the proposed establishment of permanent wireless stations at certain places in the Persian Gulf, be pleased to lay the following remarks before his Excellency the Viceroy and Governor-General of India in Council:—

2. My opinion, as expressed in the report of the sub-committee of the Committee of Imperial Defence in 1908, upon the desirability of establishing wireless telegraph stations at the places enumerated in the Marine Department letter under reply, has not undergone any change as the result of experience in the working of the stations as

[1798]

Y

they exist on the East Indies station at the present time, but I have come to the conclusion that the scheme then put forward might with advantage be modified.

3. I would, therefore, propose, for the consideration of his Excellency in Council, that the following equipment should be purchased and installed in the Persian Gulf:—

Station.	Approximate Power.	Radius of Action.
	Kilowatts.	Miles.
Lingah	$\frac{1}{4}$	75
Henjam	$\frac{3}{8}$	100
Debai	$\frac{1}{2}$	100
Bahrein	2	150
Koweit	2	150
Bushire	$2\frac{1}{2}$	300

4. The object, as I understand it, is to connect the principal markets on the Arabian shore of the Gulf with the cable on the Persian shore, thus providing a satisfactory and economical means of communicating between those places and the Indian markets, and at the same time to retain the control of the communications in the hands of the Government of India. For this purpose, it is not at all necessary that each station should be able to communicate by wireless telegraphy directly with every other station, in fact it is better that they should not be able to do so. If necessary, however, the proposed stations would be able to communicate either by cable or by cable and wireless through those on the Persian coast. It may further be observed that it is important that they should not be fitted with apparatus of greater power than is absolutely necessary for the work to be done, in order that the risk of interference with other stations in the vicinity may be reduced to a minimum.

5. A 300-mile station at Bushire would enable the political resident in the Persian Gulf to telegraph directly to any of the places named in paragraph 3, and to maintain communication with any of His Majesty's ships in the Gulf. He would, therefore, be in a position to keep touch with everything that might be happening, and this, I think, is essential from a political point of view.

6. It would be desirable that the R.L.M.S. "Lawrence" should also be fitted with a small installation, so that on the political resident proceeding on tour round the Gulf he would still be in touch with the telegraph.

7. The cost of the scheme would probably work out at something very much smaller than that originally suggested, and I think that it would be far more efficient. The installation proposed for Lingah is quite small and could be erected on the consulate. Those for Henjam and Debai would be about half the size of those now at Bombay and Jask, while that for Bushire would be approximately the same as at Jask, and those at Koweit and Bahrein would be somewhat smaller.

8. With regard to the question of the most suitable installation, I would recommend the Marconi system in preference to any other. As far as our experience goes, it is the most reliable and efficient method of wireless signalling now on the market, and since all His Majesty's ships are so fitted, the use of this system in the Persian Gulf stations would simplify the question of inter-communication and would allow of the stations taking advantage of the assistance of the wireless staff in His Majesty's ships, if at any time necessary.

9. I may add that I shall be very glad to discuss the details of the scheme with any official whom the Government of India may depute for that purpose, and I will gladly place the services of the expert officers attached to my flagship at the disposal of the Government with a view to settling any technical questions which may arise.

Enclosure 3 in No. 138.

Government of India to Lieutenant-Colonel Cox.

(Telegraphic.) P.

February 23, 1911.

PLEASE refer to your letter of the 27th December, 1908. The admiral, who has been consulted, suggests wireless installations at Bushire, Lingah, Henjam, Debai, Bahrein, Koweit, but omits Bunder Abbas. He proposes (1) installations of varying power and radius of action. He understands that the object is to connect the

principal markets on the Arabian shore of the Gulf with cable on Persian shore, thus providing an economical and satisfactory means of communicating between those places and Indian markets, and at the same time to retain control of communications in hands of Government of India. He considers it unnecessary for this purpose that each station should be able to communicate directly with each other by wireless, but all stations would be able to inter-communicate either by cable or by cable and wireless through those on Persian coast; (2) 300-mile station at Bushire, enabling you to maintain communication with any ships in Gulf and to telegraph directly to any of above stations; (3) "Lawrence" to be fitted with small installation; (4) adoption of Marconi system throughout.

Please furnish your views by telegraph.

Enclosure 4 in No. 138.

Lieutenant-Colonel Cox to Government of India.

(Telegraphic.) P.

Bushire, February 27, 1911.

WIRELESS telegraphy. Please see your telegram dated the 23rd instant. The admiral and I discussed the question when together. I entirely agree with him as to the importance and object of the scheme as indicated by him, and I also concur as to the details of four items comprising his recommendations. It does not, however, seem to me that an installation at Henjam is technically essential to the scheme, but presumably it is required in connection with proposal to establish a coal depot there and consequent need for providing speedy direct communication with His Majesty's ships. I would recommend, if the scheme is proceeded with, that the existing scale of rates throughout the Gulf be examined and revised.

[16923]

No. 139.

Sir G. Barclay to Sir Edward Grey.—(Received May 5.)

(No. 153.)

(Telegraphic.) P.

Tehran, May 5, 1911.

OIL company's land negotiations.

Agreement has been arrived at for total of 22,000l.

Please refer to my telegram No. 140 of the 26th April.

[16964]

No. 140.

Sir G. Barclay to Sir Edward Grey.—(Received May 5.)

(No. 155.)

(Telegraphic.) P.

Tehran, May 5, 1911.

SHIRAZ.

With reference to my telegram No. 150, dated the 1st May, I have the honour to report that Minister for Foreign Affairs sent for a member of my staff this morning to urge me to instruct Mr. Knox to use his influence with the Nizam with regard to the Kawami brothers.

Minister for Foreign Affairs stated that he fully appreciated my disinclination to take further action in the matter, but the insubordinate attitude assumed by the Nizam had rendered the situation so grave that he trusted that I would in so far reconsider my decision as to send instructions to Mr. Knox to press the Nizam to act in accordance with instructions from Tehran. Although the central Government had undertaken, in the event of the Kawamis being sent abroad, not to allow them to return to Persia during the Nizam's tenure of office at Shiraz, Governor-General still ignored the instructions that had been sent to him.

His Excellency fears that there is truth in the reports which reach Tehran that Nizam is resolved on the assassination of the two brothers. Such an event would, Minister for Foreign Affairs states, certainly drive the Bakhtiari to reprisals and bring about the resignation of the Prime Minister. Sipahdar, incensed at the Nizam's disregard of orders, has passed the past few days at his house in the country some miles outside Tehran.

A message has now, Minister for Foreign Affairs informs me, been sent to Nizam-es-Sultaneh stating that the Government have wished to extend to him their support but unless he obeys instructions this attitude will be reconsidered.

The dismissal of the Governor-General, which is hereby hinted at, must have grave consequences, and in all the circumstances I have judged it politic to instruct Mr. Knox to impress on the Nizam that his attitude is placing the Persian Government in a very difficult position, and that although they are ready to support him as far as they can, the fear of Bakhtiari reprisals renders it impossible for them to consent to the execution of the Kawami, and to express the hope that he will see his way to obey instructions from Tehran.

[17153]

No. 141.

Sir G. Barclay to Sir Edward Grey.—(Received May 6.)

(No. 156.)

(Telegraphic.) R.

Tehran, May 6, 1911.

HIS Majesty's consul-general at Ispahan reports serious rioting there.

I am holding Persian Government responsible for safety of British lives and property.

[17151]

No. 142.

Sir G. Buchanan to Sir Edward Grey.—(Received May 6.)

(No. 99.)

(Telegraphic.) P.

St. Petersburg, May 6, 1911.

TURCO-PERSIAN Commission.

Please see Sir G. Barclay's telegram No. 148 of the 1st May and your telegram No. 141 of the 3rd instant.

I saw Acting Minister for Foreign Affairs this afternoon. His Excellency is of the opinion that the proposed basis of discussion is too restricted, and he thinks that it should be enlarged so as to comprise treaties subsequent to the Treaty of Erzeroum, notably that of 1869, in which the mediatory rôle of Great Britain and Russia is recorded, and the Treaty of Berlin, by article 60 of which Persia recovered Kotur.

There should also be included in the diplomatic correspondence communications which have been made at any time by the two Governments either to Persia or to Turkey, and more especially the maps of the frontier zone, also other interesting documents such as the diary of the Secretary to Dervish Pasha at the time that the latter was frontier commissioner. M. Nératof therefore suggests that we should request the Persian Government to send a supplementary note to the Sublime Porte, in which they will propose that the basis of discussion shall be enlarged in the manner sketched out above.

Until the Persian Government has addressed this note to the Sublime Porte M. Nératof would prefer that the identic communication referred to in your telegram No. 118 of the 3rd May to Sir G. Lowther should not be made. As soon, however, as the note has been sent in, the two Ambassadors might inform the Turkish Government of the object of the Anglo-Russian Commission, of its composition, and of the approximate date of its departure from Tabreez. The two Ambassadors might at the same time request the Turkish Government to grant the commission a free passage in the case of need. The commission will not be able to start for some three weeks, as the Russian delegate is being sent from St. Petersburg. The proposed itinerary of the commission should not be communicated to the Porte, as the latter might take precautionary measures to prevent our ascertaining the true state of affairs were they to know beforehand the places which the commission intend to visit.

M. Nératof agrees to your proposal that arbitration should be resorted to for the points on which the Turco-Persian Commission are unable to come to an agreement; the Russian and British Governments must, however, previously discuss and approve of these points. He thinks that until we know the results of the Turco-Persian negotiations, and until we have exhausted all other means of arriving at a settlement, we had better defer expressing our views with regard to general arbitration. In the event of its ultimately being decided to refer the whole question to arbitration, jurists in London and St. Petersburg must draft the terms of reference, and one of the

[16948]

No. 140*.

Sir G. Lowther to Sir Edward Grey.—(Received May 5.)

(No. 104.)

(Telegraphic.) P.

Pera, May 5, 1911.

TURCO-PERSIAN frontier.

Proposed communication of itinerary to the Porte is objected to by Russian Ambassador on ground that Turkish Government will probably take steps for the removal of persons likely to give evidence unfavourable to the Turks for the purpose of hindering the fulfilment of mission. Encounters between delegates and Kurds might also be fostered, and disposition of military posts might be changed, thus altering general picture of their encroachments.

This view, according to my Russian colleague, is also shared by Russian Government.

I should like to know whether I am authorised to make communication as to the mission, details being omitted.

Reference is to Foreign Office telegram No. 118 of 3rd May.

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Y*

five arbitrators of which the court would be composed should be British and another Russian.

M. Nératof does not think that the Porte will agree to withdrawing Turkish troops prior to signature of protocol, and his Excellency would prefer that we should not advise the Persian Government on this point. He would prefer to leave the Persian Government free to put forward this demand or to abandon it in accordance with their own wishes on the subject.

[16948]

No. 143.

Sir Edward Grey to Sir G. Buchanan.

(No. 149.)

(Telegraphic.) P.

Foreign Office, May 6, 1911.

TURCO-PERSIAN frontier. Sir G. Lowther's telegram No. 104 of the 5th May.

Russian Government should be informed that we agree, but that we think that, in view of fact that commission would encounter continual obstruction unless Turkish local authorities were ordered to facilitate its passage, Turkish Government should be asked to issue general instructions to this effect.

In view of danger that Turkish Government may learn itinerary from Persian Government, you had better further suggest that it should not be communicated at Tehran either.

[17154]

No. 144.

Sir G. Barclay to Sir Edward Grey.—(Received May 7.)

(No. 157.)

(Telegraphic.) P.

Tehran, May 7, 1911.

TURCO-PERSIAN frontier.

I received a request to-day from the Minister for Foreign Affairs for a copy of the map compiled in 1907 by the War Office of the districts on the western frontier of Azerbaijan.

In reply, I stated that I could not accede to the request without authorisation, as the map in question was marked Secret.

May His Majesty's consul at Tabreez allow his Russian colleague on the proposed commission to see this map, and may it be shown to the Persian representative, should one be nominated?

[17155]

No. 145.

Sir G. Barclay to Sir Edward Grey.—(Received May 7.)

(No. 158.)

(Telegraphic.) P.

Tehran, May 7, 1911.

RAILWAYS.

With reference to your telegram No. 132 of the 4th May I have the honour to report that I agree to course proposed, and I shall try to obtain the written assurance in the sense desired from the Persian Government.

[17156]

No. 146.

Sir G. Barclay to Sir Edward Grey.—(Received May 7.)

(No. 159.)

(Telegraphic.)

Tehran, May 7, 1911.

YOUR telegram No. 128: Frontier.

Russian Minister and I communicated itinerary verbally to Minister for Foreign Affairs on 6th May. We also informed him that it was intended commission should start at end of May.

Although not expressly authorised to do so, I considered that your telegram No. 122* (number of your telegram to St. Petersburg being omitted in repetition to

* Repeating No. 134 of April 29 to St. Petersburg.

me) gave me sufficient warrant to join Russian Minister in renewing our invitation to Persia to participate. His Excellency seemed favourably disposed, and asked us to send him a written communication regarding commission, and we are now addressing an identic note containing itinerary, names of delegates, and approximate date of departure, and stating that we would instruct our delegates to put themselves into communication with Persian delegate should it be decided to appoint one. Minister for Foreign Affairs asked us concerning escorts. I replied that I believed it was intended to send an escort of six with British delegate (see my telegram No. 122). Russian Minister said that he thought his Government would wish to send a commissioned officer, who would not be in command of less than fifteen.

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No. 147.

Sir G. Barclay to Sir Edward Grey.—(Received May 7.)

(No. 160.)

(Telegraphic.) P.

Tehran, May 7, 1911.

TURCO-PERSIAN frontier.

Reference to my telegram No. 159 of to-day's date.

I have just received your telegram No. 149 of the 6th May to British Ambassador at St. Petersburg. I will take an early opportunity of discussing with M. Poklewski the possibility of withholding the joint note.

[17158]

No. 148.

Sir G. Barclay to Sir Edward Grey.—(Received May 7.)

(No. 161.)

(Telegraphic.) P.

Tehran, May 7, 1911.

SHIRAZ.

In continuation of my telegram No. 155 of the 5th May :

I have the honour to report that Mr. Knox, learning that the Nizam-es-Sultaneh was on the point of sending the Kawamis to Europe, refrained, with my approval, from again approaching the Governor-General.

Acting consul now telegraphs as follows :—

"I am informed by the Nizam that he had the intention of sending Kawam-ul-Mulk and Nasr-ed-Dowleh to Bushire last night, but that he was obliged to postpone the execution of his plan, as they could not have left with sufficient secrecy. His Excellency assures me that they will leave Shiraz to-night or on the following day. Although Governor-General has refused to accept responsibility for the safety of the prisoners, the manner in which their journey has been arranged seems satisfactory. The Nizam explained the arrangements to me in detail.

"I asked him whether he had any guarantee that Soulet, who is at present encamped on the road, would respect the prisoners. He replied in the negative, but added that he thought that Soulet would not dare to do them harm.

"Governor-General requests me to ask you not to let his project be known for a few days."

[17159]

No. 149.

Sir G. Barclay to Sir Edward Grey.—(Received May 7.)

(No. 162.)

(Telegraphic.) P.

Tehran, May 7, 1911.

SHIRAZ situation.

In continuation of my immediately preceding telegram of the 7th May :

Mr. Knox telegraphs that the Kawamis left Shiraz on the night of the 6th May and were ambushed after proceeding 30 miles. Nasr-ed-Dowleh and his steward were killed.

Details have not yet reached me.

[17160]

No. 150.

Sir G. Barclay to Sir Edward Grey.—(Received May 7.)

(No. 163.)

(Telegraphic.) P.

Tehran, May 7, 1911.

TURCO-PERSIAN frontier.

Reference to my telegram No. 160 of the 2nd May.

By agreement with Russian Minister, all details of the itinerary to be followed by delegates are being omitted from our joint note. M. Poklewski and I fear, however, that we will receive a written request for itinerary from Minister for Foreign Affairs, who will doubtless wish to discuss it with the Cabinet and the Regent. It will be difficult to refuse it in such a case, for the Persian Government will certainly desire to study the route to be followed before appointing a delegate.

M. Poklewski and I do not believe that the Persian Government would, in their present disposition, allow the itinerary to become known to the Turks, especially if they are asked not to communicate it.

[17211]

No. 151.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 49.)

Sir,

Tehran, April 8, 1911.

WITH reference to my telegrams Nos. 101 and 102 of the 30th and 31st March respectively, I have the honour to transmit copy of the new mint contract between the Persian Government and the Imperial Bank of Persia.

Some two months before the expiry of the last contract the Russian Minister informed me that the Russian Bank desired a share in any new minting arrangement, and that if the Imperial Bank refused to admit its participation, the Russian Bank would compete for the new contract. Having sounded the manager of the Imperial Bank and found that he preferred to take his chances of competition, I informed the Russian Minister accordingly.

My Russian colleague feels a good deal aggrieved by the Imperial Bank's success, but his grievance is not against His Majesty's Legation or the bank, but against the Persian Government, who though they had been informed that the Russian Bank wished to compete, did not take the trouble to find out the exact terms on which that institution was prepared to take the contract.

I have, &c.

G. BARCLAY.

Enclosure in No. 151.

Contract made between the Persian Government and the Imperial Bank of Persia.

AN agreement made between the Imperial Bank of Persia, of the one part, and His Imperial Majesty the Shah of Persia's Government, of the other part, by which the Imperial Bank of Persia undertakes to buy bar silver for account of His Majesty's Government and for shipment to Persia for the purpose of coinage by the Imperial Mint upon the following terms :—

1. This agreement shall be in force for the period of one year from the 22nd day of March, 1911.

2. The Persian Government having reserved to itself the exclusive monopoly of importing silver for coinage by the Imperial Mint, the Imperial Bank of Persia is hereby appointed sole agent for the purchase of such silver for account of the Persian Government and for the forwarding of the same to Tehran, and the Persian Government binds itself not to import any silver whatsoever through the agency of any other party, but solely through the Imperial Bank of Persia, and not to purchase silver imported by any other party during the period for which this agreement remains in force. The Persian Government agrees to pay all expenses covering the purchase of the silver and its transport to Tehran, including insurance, &c., incurred by the Imperial Bank of Persia for account of the Persian Government, as set forth in article 8.

3. The Persian Government binds itself to purchase exclusively from the Imperial Bank of Persia all foreign exchange for the importation of the silver in question.

4. The rate for the purchase of all such exchange is fixed upon the basis of $\frac{3}{4}$ per cent. above the buying rate of the Imperial Bank of Persia for telegraphic transfers on London. The price at which the silver is to be purchased shall be determined simultaneously with the fixing of the rate of exchange.

5. The amount of silver to be imported under the terms of this agreement will be determined by the Persian Government month by month, but it is understood that should it not be profitable, on account of the rate of exchange and the price of silver, to import, it will not be binding on either side to import under such conditions.

6. The Persian Government agrees to pay the Imperial Bank of Persia a commission of $\frac{1}{4}$ per cent. on the value of all bar silver imported during the period of this agreement, this commission to be calculated on the sterling cost of the silver payable in kranas at the same rate for sterling as fixed for each parcel of silver purchased.

7. The Imperial Bank of Persia agrees to provide such sums as shall be required from time to time for the purchase of bar silver to the extent of 300,000*l.*, of which the equivalent will be repaid as the silver is coined by the Imperial Mint. Interest on all such advances shall be charged at the rate of 5 per cent. per annum.

8. All silver *en route* to Tehran, in the bank, and at the mint during the process of coinage or otherwise, will remain under hypothecation to the Imperial Bank of Persia as security for the sums advanced. It is agreed that, should the necessity arise, the approximate profit accruing to the Persian Government on each parcel of silver sent to the mint is to be held at the disposal of the Persian Government from time to time in advance, full provision, however, being allowed for the refund of the cost of such silver, with the charges and interest thereon, to the Imperial Bank of Persia. It is also agreed that the amount of silver necessary to be at the mint at any one time in order to keep the machinery fully employed is considered to be about 50,000*l.*

Done in duplicate,

Tehran

[17212]

No. 152.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 50. Confidential.)

Sir,

Tehran, April 8, 1911.

WITH reference to my despatch No. 47 of the 28th March, 1910, I have the honour to transmit herein a list of the heads of the foreign missions in Tehran.

I have, &c.

G. BARCLAY.

Enclosure in No. 152.

Report on Heads of Diplomatic Missions in Tehran for 1910.

Hassib Bey, the Turkish Ambassador, presented his credentials in September 1909. He is an amiable, elderly gentleman, but I have not seen very much of him, partly owing to his frequent illnesses, and partly because I do not find his conversation profitable. He speaks excellent French, but talks with such extreme volubility as to admit of none but monosyllabic replies, and his verbosity often makes it difficult to understand his meaning. He is profuse in his protestations of friendship for England, and feels very sore that he should have fallen during Mr. Marling's charge under the suspicion—entirely baseless he declares—of having reproached the Persian Government for the permission granted to the Anglo-Persian Oil Company to run a launch on the Upper Karun. He makes no secret of his contempt for the Persians, which renders him comparatively harmless as an apostle of pan-Islamism. In this respect, and also in that he has incurred the dislike of the German Minister, he is, from our point of view, a desirable Turkish representative, though he is, I believe, a strong advocate of a Turkish sphere of interest in Persia.

M. Rosthorn, the Austro-Hungarian Minister, presented his credentials October 1906. He was for many years in the Chinese Maritime Customs, and thence was appointed consul-general at Peking, where he was in charge of the legation during the

siege in 1900. At first, somewhat soured at finding that, though a Minister, he was condemned to play a very small rôle in Tehran, he has become reconciled to the unavoidable, and since his return from long leave last spring, he has, probably on a hint from his Government, abandoned his efforts to play a political part, which for a time made him a troublesome colleague. He has just been appointed to Peking, which is the post he had hoped for. My relations with him have of late been of the best, and, though somewhat touchy, I have found him a pleasant colleague. He plays bridge fairly, and has been known to launch out into poker, at which he generally wins.

Madame de Rosthorn, who appears thoroughly to deserve her reputation for courage gained during the siege of Peking, is a cheery tempered bourgeoisie.

German Minister, *Count Albert de Quadts Wykradt Isny*, presented his credentials in March 1908. Was appointed to Tehran from the consulate-general at Calcutta, where he seems to have gained the confidence and liking of all Indian society. He was at Washington as councillor of embassy at the time of Herr von Holleben's intrigue against Lord Pauncefoot, and is said to have ably seconded his chief. When the blow aimed at Lord Pauncefoot recoiled on the German Ambassador, Count Quadts was greatly chagrined, and on the appointment of Baron Speck as Ambassador, led a regular campaign against his chief, who was practically boycotted in his own Embassy. There have been occasions on which he has shown troublesome activity, for instance, he was doubtless responsible in some degree for the German intrusion into Persian affairs last spring, but on the whole he has been as satisfactory a German colleague as a British Minister in Tehran could hope to have. I have always found him straightforward in his dealings with me. He is an agreeable companion, a pleasant host, and a good bridge player.

Countess Quadts is the daughter of the late Chevalier de Martino of the Italian diplomatic service. She is a pretty woman, with much charm of manner, which some would say is lacking in sincerity. She is an admirable hostess, and the dinners at the German Legation come within measurable distance of dinners in a civilised town. This is no small credit to the hostess considering the wretched matériel available in Tehran. Count and Countess Quadts expect to leave in the autumn, and are not likely to return.

M. Raymond Lecomte, French Minister, presented his credentials in June 1908. At the time of his appointment apprehensions were felt that he might have German leanings. These apprehensions have proved unfounded, and M. Lecomte is entirely orthodox in his dislike and distrust of Germany. M. Lecomte is clever and witty, and those whom he likes find him very agreeable, but his wit is of the coarser kind and he is extremely touchy, and is a good hater. I have not always found him a desirable colleague. It is obviously the duty of a French Minister in Tehran to do his utmost to promote harmony between the British and Russian Legations. He has not always been happy in the way he has discharged this rôle. He has been on leave during the winter, and Viscount du Halgouet has been in charge. The latter is an agreeable colleague, and I should say clever, though I have had little opportunity of judging as he has during the greater part of his charge been laid up with sciatica. He has a young and pretty wife who will be much missed when they leave on M. Lecomte's arrival next month.

M. Havenith, Belgian Minister, presented his credentials in the autumn of 1908. He has just been appointed to Washington, where his wife is well known as a former "belle" in Washington society. I have always found M. Havenith pleasant and agreeable, though I believe some who have met him on days when he was suffering from indigestion think him short tempered. He has the reputation, undeserved, I believe, of stinginess. His wife is rich, and in the rare intervals when they were not in mourning they have given pleasant dinners. M. Havenith is a good bridge player, and latterly he and his secretary, M. de Warzée, have started a game of poker, at which the stakes are too high for safety, and one or two of the players have suffered considerably.

M. Poklewski-Koziell, the Russian Minister, presented his credentials in September 1909. M. Poklewski is so well known in London that he calls for no notice from me. Our relations have been uninterruptedly of the most cordial kind. There have been moments when I have thought him unnecessarily hard and

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domineering with the Persian Government. My friendly remonstrances have not always had practical results, but they have, except on one occasion when he was particularly exasperated with the late Nationalist Cabinet, always been taken in good part.

With the ministrations of an excellent chef and an occasional game of poker or three-penny bridge, M. Poklewski bears with praiseworthy equanimity his temporary exile from the big European capitals.

Mr. Russell, the American Minister, was formerly Assistant Attorney-General at Washington, in which capacity I am told he was most helpful in adjusting contentious questions between the State Department and the foreign legations. Tehran is Mr. Russell's first diplomatic post, he is consequently somewhat unduly secretive. So far he has not had much to do, for I believe that the engagement of American financial experts was independent of any instigation from him. His post will assume considerable importance when these experts arrive, and all his tact will be needed to reconcile their activities with the interests of the two great neighbouring Powers.

Mrs. Russell is a simple and kindly lady, who does not pretend to shine in society. During the season they have given a series of small dances for their daughter—a pretty and agreeable girl.

M. Oudendyk, the Dutch Minister, presented his credentials last spring. I saw little of him until the autumn, when he began to pay attention to Miss Fuller, a lady who was staying at this legation as companion to my daughter, and whom he has since married. From what I have seen of him recently I should say that he was a very capable man and would do credit to a post with more scope for activity than the one he now holds. I understand that his ambition is to return to China, where he has served for many years. He speaks English perfectly.

M. Montagna, Italian chargé d'affaires, arrived last summer. I have not seen very much of him, but he is popular in the corps diplomatique. He is quiet and unassuming, and seems capable.

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No. 153.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 52.)

Sir,

Tehran, April 14, 1911.

IN my despatch No. 232 of the 19th December last I reported that Mr. Preece hoped that a change of Cabinet would enable him to bring his negotiations for the mining concession in the Kerman district to a successful issue. In this hope he has been disappointed. He has found it impossible to make any progress, and, after consulting the Regent and the Minister for Foreign Affairs and finding that they can hold out no hope that the concession will be granted in the near future, he has decided to return to England, leaving the matter in the hands of Mr. Brown, deputy manager of the Imperial Bank.

Mr. Preece tells me that he has found neither the Regent nor the Cabinet opposed to the concession in itself, but they feel that to go forward with the negotiations until their efforts to create an atmosphere more favourable to foreign enterprise have made more progress would be useless. The Regent has discouraged the linking of the proposed tramway from Bunder Abbas towards Kerman with the mining concession, as he thinks that the former should form part of the general scheme of railways which His Highness hopes will be formulated jointly by His Majesty's Government and the Russian Government (see my telegram No. 90 of the 21st ultimo), and I understand that if Mr. Brown resumes negotiations the tramway will not form part of the project.

I have, &c.

G. BARCLAY.

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No. 154.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 53.)

Sir,

Tehran, April 16, 1911.

I HAVE had the honour to report to you in various telegrams the principal points of progress attained since the date of my despatch No. 46 of the 23rd March by the Persian authorities in their endeavour to restore order on the southern roads. They comprise the arrivals at Shiraz of General Maletta and Nizam-es-Sultaneh, the new Governor-General of Fars.

With regard to the former, I was much disappointed to hear that he had expressed himself in very despondent terms to His Majesty's acting consul at Shiraz in regard to the non-success of his mission to organise a gendarmerie force. It appears that, notwithstanding the assurances given me by the Minister for Foreign Affairs, as reported in my despatch No. 7 of the 23rd January, that the sum of 80,000 tomans had been transferred to Shiraz for gendarmerie purposes, General Maletta had found that no money, not to speak of men nor arms, had been provided for him. He had telegraphed to the Minister of the Interior that the organisation of the gendarmerie was impossible until the necessary money had been supplied, and had had received a message in reply that when he had agreed with the Nizam as to what was required immediate orders would be sent. General Maletta had had two subsequent interviews with the governor, who said that the whole question depended on whether the money would be forthcoming. His Excellency requested the general to submit a programme which would be forwarded to Tehran with any necessary modifications, and the general offered the same scheme which he had submitted with some persistence at Tehran before his departure. In the latter's opinion, it was worse than useless to embark on the organisation of a gendarmerie until he was assured of funds sufficient for a year's expenditure.

On receipt of this intelligence I reproached the Minister for Foreign Affairs for having misinformed me and, through me, His Majesty's Government, with regard to the money which he assured me had been sent to Shiraz, and I urgently represented the necessity of at once supplying these funds. His Excellency could only say that there must have been a misunderstanding, and he assured me that the money would be sent as soon as possible.

With regard to the new Governor-General, His Majesty's acting consul at Shiraz reported, in a telegram dated the 10th April, that his Excellency expressed himself most sanguine of promptly restoring order in the province. The Nizam was showing considerable firmness in efficiently policing the town, and, on the robbery of a local caravan within a few miles of Shiraz being reported to him, he immediately sent out Nasr-ed-Dowleh with 300 men in pursuit of the brigands. Most of the stolen goods were recovered, but the robbers themselves escaped. Since then there have been two further robberies of local caravans near Shiraz. So far as I know, no British property was involved in these robberies, but His Majesty's consul at Ispahan reported on the 1st April that traffic between Shiraz and Ispahan is practically at a standstill.

The intention of the Nizam is to take immediate steps to suppress the robber bands of small magnitude, and he contemplates as soon as order is established in the vicinity of Shiraz placing himself at the head of a large expedition directed against the notorious tribe of Boir Ahmedis in their summer quarters. Four hundred of these marauders are reported to be on the war-path and meditating a descent on the Bushire Shiraz road.

The Khan of Kamarij has ordered the headmen of his district to patrol the hills and detain caravans at Dastarjin until they can proceed in safety. The hostilities against this chief instituted by the Nizam have been abandoned owing to the sturdy resistance offered by him. This is satisfactory, as according to our consular reports he had always loyally endeavoured to maintain order on his section of the road. I had not, however, intervened in his favour, as I think it is the best policy to allow the Nizam-es-Sultaneh a free hand in the execution of his mission and to afford him no opportunity of ascribing his failure—if he fails—or his resignation if he desires to escape responsibility, to the intervention of the Central Government at the prompting of His Majesty's Legation.

A similar motive led me to refrain from protesting against the dismissal of the Daya Beggi which followed on the Ahmedi incident reported in my despatch No. 46, notwithstanding that during his tenure of the governorship of the Gulf ports he had given fair satisfaction to His Majesty's resident at Bushire, who is reluctant to see him

go. The new governor, Mavagher-ed-Dowleh, who has been up to now karguzar at Shiraz, is described by Mr. Acting-Consul Smart as the best Persian official he has ever met; though Colonel Cox fears that he has ultra-nationalist ideas which may lead to difficulties in connection with such questions as the status of Bahrein. I have, however, received assurances from the Minister for Foreign Affairs that the new governor will not be maintained in his post if he gives trouble.

I have, &c.
G. BARCLAY.

[17215]

No. 155.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 54. Confidential.)

Sir,

Tehran, April 17, 1911.

EXCEPT for the situation produced by the arrest of the Kawamis at Shiraz, on which I have reported by telegraph to-day, there has been little of political interest to record during the past four weeks.

It was decided the day before yesterday in the Medjliss to discuss the Imperial Bank's loan contract to-morrow, and there seems every probability that it will now be accepted. Neither the manager of the bank nor I have been able to elicit an adequate explanation of the delay which has occurred.

The Cabinet appears to be working harmoniously, and there is as yet no sign of any disintegration in the majority in the Medjliss, but the democrats who, out of regard doubtless for the Regent, showed in the early days of the new ministry a tendency to refrain from active opposition, have recently adopted a more hostile attitude owing to what they consider the unfair treatment which the party is receiving at the hands of the Government. Complaints are rife of arbitrary attempts to curb the criticism of the opposition press, and much resentment is felt at the recent dismissal of a number of employés of democratic sympathies from the Government departments, and at the manner in which the Cabinet is dealing with the problem of the terrorists. A certain number of these latter undesirables have been deported from the capital, but those selected for this treatment have mostly been members of the section of fedais identified with the democrats, and the leader of the opposite section still remains unmolested at Tehran.

I was received to-day in private audience by the Regent and took occasion to mention these grievances of the democrats to His Highness, who assured me there was no foundation for them. He said the dismissed employés were dismissed not because of their sympathy with the democrats but because they could not subordinate their sympathies to the duty of obedience to their chiefs. His Highness denied that there was any discrimination in dealing with the terrorists against those identified with the democrats. It was true that the leader of the opposite section had not been deported but this was because he had not been so deeply implicated as those who had been deported. The charge of arbitrary interference with the opposition press is based chiefly on a story published in the principal democratic organ, the "Iran No," to the effect that the Vice-Minister of War ordered an officer to arrest the editor of this paper and that the officer resigned rather than carry out the order. His Highness gave me to understand that there was no truth in this story.

Although his Highness seemed satisfied with the manner in which the majority was holding together he appeared to me to be very despondent. As usual he spoke with great bitterness of the democrats whom he accused of transgressing the bounds of legitimate party strife and seeking to upset the Cabinet rather by intrigue than opposition in the Medjliss. He said he had frequently lectured their leaders but he was clearly not very sanguine as to any improvement.

I have, &c.
G. BARCLAY.

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No. 156.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 55. Very Confidential.)

Sir,

Tehran, April 18, 1911.

I WAS received yesterday by the Regent in private audience preliminary to my departure on short leave. I took the opportunity of speaking to His Highness about the application I had made on behalf of His Majesty's Government for a concession for a port at Khor Musa and for a railway from that place northwards as far as Khorremabad.

His Highness, while recognising the advantage of the line not only to British trade, but also to the prosperity of Persia, confirmed the impression which I had already derived from the Minister for Foreign Affairs that the reply to my application would not be entirely favourable. I gathered from the Regent, as I had already done from the Minister for Foreign Affairs, that, though the Persian Government fully recognised their obligations under the Shah's rescript of 1888, they would object to granting to His Majesty's Government an option for railway construction which, stopping short at the gates of the Russian zone, emphasised so clearly the division of Persia into spheres of interest. The Regent thought the line of least resistance would be the formation of an Anglo-Franco-Russian syndicate to apply for a railway from the Gulf to the Russian frontier. This would have the appearance of an international line, and would be more acceptable than a purely British line in the British and neutral spheres. His Majesty's Government and the Russian Government could arrange with the syndicate that the sections in the British and neutral zones and that in the Russian zone should be respectively under British and Russian management. I ventured to point out that to adopt this procedure might delay matters (as it was not known how far Russia was prepared to construct in the north); moreover, the granting of the desired option would not necessarily preclude the execution of the scheme proposed by His Highness for the construction of the longer railway. It was important that Persia should make a beginning in railway development without delay, and here was a favourable opportunity for coming to terms for the construction of a railway of primary importance to the country. I did not doubt that, if the Persian Government showed a favourable disposition, an arrangement would be come to which would serve as a useful model for railway concessions in other parts of Persia. In any case, I felt confident that His Highness would see how desirable it was that the Persian Government should make it clear in their reply that they adhered to the rescript of Nasr-ed-Din Shah, and that their note should leave the door open for a discussion of the terms on which the proposed enterprise could be executed. I begged His Highness to expedite the Persian Government's reply, and told him that the Minister for Foreign Affairs having promised to let me have it before my departure on the 21st instant, I hoped to be able to carry a copy of it with me to London.

His Highness promised to do his best to secure an early reply.

I have, &c.
G. BARCLAY.

[17219]

No. 157.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 57.)

Sir,

Tehran, April 19, 1911.

I HAVE the honour to report that when Mr. Greenway, managing director of the Anglo-Persian Oil Company, recently passed through Tehran, he represented to me that as the company were contemplating resuming work on their wells at Kasr-i-Shirin it would be desirable for the better protection of the company's interests if a British vice-consulate could be established in that locality.

I am inclined to share his opinion if a suitable person of British nationality could be found to undertake the duties of British vice-consul at Kasr-i-Shirin without remuneration.

I am consulting His Majesty's consul at Kermanshah in regard to Mr. Greenway's proposal, and if he should report favourably I shall have the honour of addressing you a further despatch on the subject, and, in the meantime, I enclose copy of a despatch

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which I have received from His Majesty's consul at Kermanshah shortly after Mr. Greenway's visit.

As Kasr-i-Shirin is in the Russian sphere, I shall, of course, ascertain whether my Russian colleague would see any objection to the appointment of a British vice-consul under the circumstances.

I have, &c.
G. BARCLAY.

Enclosure in No. 157.

Consul McDouall to Sir G. Barclay.

(No. 25. Confidential.)
Sir,

Kermanshah, March 23, 1911.

I HAVE the honour to report that the state of affairs at Kasr-i-Shirin, as shown in to-day's and last week's diaries, is that the Provincial Government of Kermanshah has no authority there, and the continued presence of the new Turkish consul for Kermanshah there causes a suspicion of Turkish intrigue.

Mr. Soane, who left for Kasr on the 22nd to take charge of the Anglo-Persian Oil Company's affairs there, has promised to send me reliable information as to the situation, as that obtained here is not to be depended on beyond a certain point.

Kasr-i-Shirin is situated in the Buluk of Zohab, which was conquered from the Turks some ninety years ago by Mohamed Ali Mirza, Prince Governor of Kermanshah, but has never been ceded by treaty, and, in fact, is acknowledged to be Turkish by the treaty of Erzeroum. The Persians have exercised full sovereignty there since its conquest, and the important frontier custom-house of Kasr has existed for a long time.

Though in the Russian sphere British interests there are at present paramount, both as all goods from Bagdad, of which most are British, pass through that custom-house in bond, and as the oil wells of the Anglo-Persian Oil Company are in that buluk. The company has machinery there to the value of 30,000*l.*, and will probably in the near future start supplying this province with that oil, and the wells will be important as soon as railways are constructed in Western Persia.

I have, &c.
W. McDOUALL.

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No. 158.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 58.)
Sir,

Tehran, April 19, 1911.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.
G. BARCLAY.

Enclosure in No. 158.

Summary of Events in Persia from March 22 to April 19, 1911.

Tehran.

Turco-Persian Frontier.—On the 28th March the Persian Government was informed of the decision of the British and Russian Governments to send a mission of investigation to the frontier, and was invited to send a delegate as well.

Railways.—On the 31st March His Majesty's Minister addressed a note to the Persian Government asking for an option for railway construction in the south of Persia.

Mint Contract.—The Imperial Bank's mint contract with the Persian Government was renewed on the 30th March for another year.

Miscellaneous.

General Houtum Schindler, C.I.E., has left Persia for good after being in the country for over forty years.

Mr. J. R. Preece, C.M.G., has returned to England without having obtained the Kerman mining concession for which he came out over a year ago.

Mr. Greenway, the managing director of the Anglo-Persian Oil Company, who came to Tehran from Mohammerah via Bagdad, called upon the Cabinet Ministers, the Regent, and various other notabilities, to whom he stated that he was prepared to form a group of financiers for the purpose of lending Persia a sufficient sum of money for the construction of a light railway from the Persian Gulf to a point south of the Russian sphere.*

The Medjliss.

At the sitting of the 28th March another memorandum from the Regent was read dealing principally with the disorganisation existing in the various Government departments and the futility of continuing the existing party strife. The memorandum urged that the Government should be given full support in the work of reforming the administrations. The renewal of the Imperial Bank's mint contract was discussed at the same sitting and was agreed upon by a large majority.

At the sitting of the 30th March a Bill dealing with regulations for elementary education was read and discussed. The measure was opposed on religious grounds by a representative of the ulema of Nejef, but the firmness of the new president saved the Bill from being shelved.

On the 1st April, at the request of the Regent, a telegram addressed to his Highness by the ulema of Nejef was read to the House. After congratulating the Regent on his arrival at Tehran and assumption of office, the ulema refers to the political discord existing in Tehran and express the fervent hope that the Regent will be able to bring about the union so necessary to the welfare of the country. At the same sitting a letter from Sardar Assad was read, in which he asked the House to grant him three months' leave of absence for the purpose of obtaining medical treatment in Europe for his eyes. Votes were taken and the leave was granted. The Premier attended at this sitting, but took no part in the debates.

On the 4th April the presidential committee having to obtain re-election according to the regulations in force, votes were taken accordingly, with the following result:—

Motamin-ul-Mulk re-elected unanimously as president.
Morteza Kuli Khan elected first vice-president.
Matin-es-Sultaneh elected second vice-president.

The following were re-elected as secretaries:—

Mirza Ibrahim Khan, Haji Mirza Reza Khan, Fahim-ul-Mulk, and Moazed-ul-Mulk.

With the exception of the president, who is neutral, the vice-presidents and secretaries are all nominees of the majority. In a House consisting of seventy members they received some 40 votes each, while the nominees of the minority received between 20 and 30 votes each. It was noticed during the voting that the majority was not in proper discipline.

At the sitting of the 6th April the president, on taking the chair, thanked the deputies for their confidence in him, and stated his willingness to accept the presidency again as he felt sure that the House was determined to pass the remaining Bills before the end of the session, of which six months remain. A Bill was then introduced relating to the wheat supply for Tehran. The measure is intended to deal with the cornering of grain by large landowners. The Minister of the Interior was then interpellated with regard to the expulsion from Tehran of a notorious fedai called Yar Mohammed Khan, who had been associated with the Democratic party, now in the minority. The incident seemed likely to bring about an angry altercation between the two parties, but further discussion was stopped by the president.

On the 11th April Prince Amir Azam, son of the late Amir Khan Sardar, G.C.M.G., was introduced as Under-Secretary of State for War, and was interpellated regarding an alleged purchase of arms and ammunition by the Government. He stated that 7,000 Russian rifles had been bought by the Government at a cost of 14 tomans each. He did not say how many cartridges had been purchased, but stated that they cost 4 shahis each.

* Mr. Greenway went further than this with the Regent, and said he was prepared to arrange to find the capital for lines from the Gulf northwards, from Bander Abbas to Kerman, and from Bander Abbas to Shiraz.—G. B.

The Premier and the Minister for Foreign Affairs attended at the sitting of the 13th April, and were both interpellated, somewhat embarrassingly, by Suleiman Mirza, the leader of the Democrats. The Minister for Foreign Affairs was searchingly questioned regarding the alleged arrest by the Russian Legation of a Russian subject without reference to the Persian Government. The Foreign Minister was able to tell the House that the Russian Legation had acted in this matter strictly in accordance with treaty rights, and the matter was allowed to drop. In answer to further questions the Foreign Minister stated that Ehtesham-es-Sultaneh had been appointed Persian Ambassador at Constantinople. Questions were also asked regarding the enquiry into the murder of Sani-ed-Dowleh, and the Foreign Minister took the opportunity of stating that, in spite of the difficulties in the way, the investigation had been carried out as satisfactorily as possible, and he had the Russian Minister's assurance that the assassin would receive exemplary punishment.* Regarding the American employes for the Ministry of Finance, the Foreign Minister was able to announce that they were already on their way to Persia.

The Minister of Finance asked the House on the 15th instant to include in the list of questions to be discussed on the 18th April the proposed loan from the Imperial Bank, the project for which had been put before them by the former Cabinet. The motion was agreed to, but on the 18th the question was again put off until the 20th.

The Press.

Shortly after the formation of Sipahdar's Cabinet the local press desisted from their constant attacks on England and Russia and took to party recriminations, one section supporting the majority and another favouring the minority.

G. P. CHURCHILL.

THE PROVINCES.

Mazanderan.

Prince Zafar-es-Sultaneh has succeeded Zahir-ed-Dowleh as governor, and relative order appears to exist.

Ghilan.

The district seems to be in fairly good order.

Tabreez.

The Russian troops are still at Tabreez, and the province appears to be quiet.

Meshed.

1. His Majesty's consul-general writes that all his agents report numerous robberies in all directions.
2. Some local excitement was caused by the Russian Cossack officer taking his detachment through the bazaar and beating people out of the way.
3. All round Turbat gangs of thieves hold the roads, and even villagers are gradually joining them.
4. The notorious rebel Naib Hussein has seized Tabas with 300 horsemen.
5. The new Governor-General, Sahib Ekhtiar, is very corrupt, and accepts even a few shillings from poor people. The result is that even the price of bread and meat is going up.

Ispahan.

1. The Tehran post, which arrived at Ispahan on the 14th instant, was robbed south of Kashan by some Bakhtiari. The passengers were robbed of their effects, and all the parcels were taken.
2. The road from Ispahan to Shiraz is practically closed to traffic owing to robbers.
3. The town of Ispahan continues to remain quiet.
4. The Governor-General has recovered from the wounds he received when fired at by Abbas Agha, whose examination still continues.

* The investigation is almost terminated, the Russian Minister informs me.—G. B.

Yezd.

1. An attempt was made at the beginning of March to organise a boycott against Russian goods.
2. Later in March an agitation against the Parsees was reported, and on the 11th March some twenty-four Parsees fled to the British vice-consulate for protection.
3. The road from Yezd to Meshed was closed at the end of March, when Naib Hussein seized Tabas.
4. The Kashgai governor, Zaigham-ed-Dowleh, has been confirmed in his post.

Shiraz.

1. Nizam-es-Sultaneh arrived at his post on the 6th April.
2. On the 15th instant the governor arrested the Kavam-ul-Mulk and his brother Nasr-ed-Dowleh.
3. The unsatisfactory condition of the roads is dealt with in a separate despatch.

Seistan.

1. The governor, Heshmet-ul-Mulk, who was responsible for the recent Baluch raids into the Kainat, refused for some time to receive the visit of the British and Russian consuls, who wished to remonstrate with him on the subject. Orders were eventually sent him from Tehran to receive their visit, and he complied.
2. The Persian Government have decided to remove the Heshmet-ul-Mulk, and to send a governor from Tehran.
3. Major O'Connor has started on tour in the direction of Neh.

Kerman.

1. Colonel Haig left for Bunder Abbas on the 27th March.
2. On the 12th instant news was received that the expeditionary force sent to Baluchistan had taken Bampur Fort, and intended to proceed against Fahraj.
3. Prince Jelal-ed-Dowleh, the Governor-General, seems to be maintaining order in the province.

Kermanshah.

1. Prince Rukn-ed-Dowleh, the governor, seems to be weak and incompetent. The state of the town and province is reported to be very bad, and robberies are of constant occurrence.
2. On the night of the 24th March, some robbers broke into His Majesty's consulate and carried away some effects. The following night a further attempt was made to obtain possession of the rifles of the consular guard. Shots were exchanged between the robbers and the Indian sowars. The robbers succeeded in entering a part of the building and carrying away some uniforms and cash belonging to the escort. Representations were made to central Government on the subject, and some arrests were made.

Bushire.

1. The Darya Beggi has been succeeded by Movakar-ed-Dowleh as governor of the Gulf ports.
2. Admiral Slade arrived at Bushire on the 16th instant on a short visit.
3. On the 3rd instant, the Turkish consulate was invaded by a mob, including some thirty local artillerymen, in consequence of an affray with the local police staff recently sent to Bushire from Tehran. Two men were killed in the consular grounds.
4. The condition of the Shiraz road is dealt in a separate despatch.

Luristan.

Lutf Ali Khan, Amir Mufakham, Bakhtiari, has been appointed governor of Luristan, and is on his way to his post.

G. P. CHURCHILL.

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No. 159.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 59.)

Sir,

Tehran, April 20, 1911.

I HAVE the honour to transmit herein copy of a note which, in obedience to the instructions contained in your telegram No. 96 of the 29th ultimo, I addressed to the Persian Government, applying on behalf of His Majesty's Government for an option for a concession for a port at Khor Musa, and for a railway northwards as far as Khoremabad with a branch to Mohammerah if found desirable.

I have, &c.

G. BARCLAY.

Enclosure in No. 159.

Sir G. Barclay to Persian Government.

M. le Ministre,

Tehran, March 31, 1911.

IT will doubtless not have escaped the memory of the Persian Government that in a rescript addressed to the Minister for Foreign Affairs on the 16th September, 1888, His Imperial Majesty Nasreddin Shah gave priority to His Majesty's Government over others for the construction of a southern railroad and a positive assurance that no southern railway would be granted to any foreign company without consultation with His Majesty's Government.

His Majesty's Government feel that the essential need for railway construction in Southern Persia, not only for the development of British trade with Persia but also for the prosperity of Persia herself, must be evident to the Persian Government. In particular it would seem of the first importance to establish a port at Khor Musa and railway communication from that place northwards, and His Majesty's Government are therefore desirous of obtaining a concession for this enterprise.

I am accordingly as a first step towards the realisation of the project in question instructed by His Majesty's Principal Secretary of State for Foreign Affairs to apply on behalf of His Majesty's Government for an option from the Persian Government for a concession for a port at Khor Musa and for a railway northwards as far as Khoremabad with branch to Mohammerah, if found desirable.

I feel confident that your Excellency will realise that His Majesty's Government, in making this application, are actuated as much by motives of friendship towards Persia as by concern for the interests of British trade, and that the Persian Government will give it their favourable consideration, bearing in mind that the present application is for an option only, and that the details of the concession can be discussed subsequently.

I avail, &c.

G. BARCLAY.

[17222]

No. 160.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 62.)

Sir,

Tehran, April 25, 1911.

WITH reference to my despatch No. 57 of the 19th April respecting the establishment of an unpaid British vice-consulate at Kasr-i-Shirin, I have the honour to transmit herewith copy of a despatch from His Majesty's consul at Kermanshah forecasting probable difficulties in the way of the oil company's resumption of work on the wells in the neighbourhood.

I have also received a telegram from Mr. Consul McDouall, stating in reply to my enquiries that he considered that the appointment of a vice-consul at Kasr-i-Shirin would be advisable, but that there was no suitable person available on the spot, and that naturally no one could be sent to occupy an unpaid post.

Mr. Greenway had suggested to me that Mr. Soane, who represents the oil company at Kasr-i-Shirin, should himself be appointed unpaid vice-consul, and that his previous misconduct in Persia (see my telegram No. 382 of the 17th November, 1908) might now well be condoned.

[21711]

No. 160 A.

Sir G. Barclay to Sir Edward Grey — (Received June 6.)(No. 63.)
Sir,*Tehran, April 26, 1911.*

WITH reference to your telegram No. 327 of the 7th November last, I have the honour to report that Mr. Osborne informed me yesterday that he had made an offer on behalf of his principals to the Persian Government of a loan of 200,000*l.* on the security of the latter's interest in the oil company. I told him that this would be very distasteful to the company, a remark which seemed to cause him some surprise.

I lost no time in making enquiries of the Minister for Foreign Affairs. His Excellency said he had no knowledge of the offer, but promised that nothing should be concluded without my cognizance. I told his Excellency what I had in the past told his predecessors that the company was most anxious that the Persian Government should retain its entire interest in the enterprise, and, in any case, if there were any idea of pledging this asset for a loan, the company ought to have the first refusal. His Excellency quite agreed.

I have, &c.
G. BARCLAY.

[21712]

No. 160 B.

Sir G. Barclay to Sir Edward Grey — (Received June 6.)(No. 64.)
Sir,*Tehran, May 4, 1911.*

IN reply to your despatch No. 28 of the 4th March, I have the honour to report that I have now presented a complete statement of Messrs. Dixon and Co.'s outstanding claims to the Persian Government, and requested their settlement.

I have, &c.
G. BARCLAY.

[1798]

2 C*

After further enquiry, however, I am of opinion that Mr. Soane's past character renders it difficult for me to recommend him for an official post, and I also think, in view of Mr. McDouall's statement in the last paragraph of his despatch No. 31 to the effect that the Persian Government have no authority whatever in the district, it would be unwise to institute a British consular officer at Kasr-i-Shirin unless he were protected by a strong escort.

I have, &c.
G. BARCLAY.

Enclosure in No. 160.

Consul McDouall to Sir G. Barclay.(No. 31.)
Sir,*Kermanshah, April 11, 1911.*

I HAVE the honour to inform you that Mr. Soane, representing the Anglo-Persian Oil Company, arrived at the wells at Chia Surkh on the 26th March and proceeded to engage labour. Next day no one would come to work, and said that Karim Khan had threatened to kill anyone who worked for the company. Mr. Soane asks me to note this, or mention it to you, as there will probably be more serious opposition later.

It therefore appears advisable to give the particulars of the company's relations with Karim Khan from correspondence in the consular archives.

In July 1905 the company left off work at Chia Surkh, and stored there their materials and tools while work was being carried on in Arabistan. They at that time made an agreement with Karim Khan, Shuja-es-Sultan, the local bajlan chief, by which he undertook to provide guards for the workshops and wells at a monthly payment of 80 tomans, and, further, he undertook to accept responsibility for the safe custody of the company's property, and to pay the annual tax of 400 tomans to the Persian Government, and in return he was allowed to collect for his personal use all the oil coming out of wells Nos. 1 and 2. This agreement to be terminated by the recommencement of work by the company.

In accordance with this agreement Karim Khan has from that time collected and sold all the oil and salt from the wells, which is said to bring him in about 200 tomans per mensem. The town of Qasr and surrounding villages are entirely supplied from these wells with oil, which Karim Khan distills for sale.

I understand that the company now propose to make a short pipe-line from Chia Surkh to Qasr-i-Shirin, and refine the oil there for local sale and transport to Kermanshah and neighbourhood.

This resumption of work means a great loss to Karim Khan, and he may be expected to oppose it. The Persian Government is at present without any proper representative in that district, except the customs director, and has no authority whatever there. The Prince-Governor has acquiesced in the appointment of Karim Khan as Governor of Qasr by Dawood Khan, and has no force to act in opposition to Dawood Khan.

I have, &c.
W. McDOUALL.

[17180]

No. 161.

Sir G. Lowther to Sir Edward Grey — (Received May 8.)(No. 296.)
Sir,*Constantinople, May 3, 1911.*

WITH reference to Mr. Marling's despatch No. 869 of the 29th November, 1910, I have the honour to forward herewith a despatch from Mr. McGregor, reporting a conversation with the Russian consul-general at Erzeroum in regard to a visit paid by the Russian vice-consul at Bayazid to certain frontier districts, and to rumours current at Erzeroum of Russo-Turkish complications on the Persian frontier.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 161.

Consul McGregor to Sir G. Louther.(No. 27. Confidential.)
Sir,*Erzeroum, April 22, 1911.*

I HAVE the honour to report to your Excellency that M. Schritter, the Russian consul-general, informed me yesterday that M. Akimovich, acting Russian vice-consul at Bayazid, had just returned to that town after a visit to the Sirdar of Maku. He had been received with the greatest cordiality by the Sirdar, who, after recalling the intimate relations that had always existed between his father and the Russian Government, declared his readiness to place all his forces at the disposal of Russia in the event of war with Turkey, and finally suggested that a consignment of 3,000 rifles, with a supply of ammunition, would not be amiss under present circumstances. The Sirdar then accompanied the vice-consul on a tour along the Turkish frontier of his territory, and I understand that M. Akimovich was enabled to assure himself that Bulak Bashi, where, as I had the honour to report in my despatch No. 93, Confidential, of the 5th November last, the Turks have established a military outpost is, in reality, Persian territory.

I gather that M. Schritter's object in giving me this information was to ascertain whether the vali, with whom he is on very bad terms, had spoken to me on the subject, and I was able to tell him that such was not the case. I took advantage of the opportunity to ask M. Schritter whether he thought there was any foundation for the rumours now circulating with more than usual persistency regarding the imminency of Russo-Turkish complications on the Persian frontier, and, as I expected, received a most positive denial. It is, however, within my knowledge that these disquieting rumours are being spread by subaltern employés of the Russian consulate-general, and that M. Schritter himself, when appealed to by Russian subjects with commercial interests, has merely replied that they should be informed in good time in the event of an outbreak of war.

On the Turkish side, the vali expresses his confident opinion that, even were Russia ready and anxious for war, she would be hindered by France and Great Britain; but this view is not shared by the Young Turk leaders, who make no secret of their apprehensions, being convinced that Russia is only awaiting an opportunity to take advantage of Turkey's difficulties elsewhere.

I have, &c.

P. J. C. MCGREGOR.

[17236]

No. 162.

Sir G. Buchanan to Sir Edward Grey.—(Received May 8.)(No. 121.)
Sir,*St. Petersburg, May 3, 1911.*

IN accordance with the instructions conveyed to me in your despatch No. 113 of the 18th of last month, I to-day conveyed to the Acting Minister for Foreign Affairs the thanks of His Majesty's Government for his attitude and language on the occasion of his recent conversation with Mr. Seligman.

M. Nératof enquired whether you had seen Mr. Seligman on his return to London, and whether you had expressed yourself as favourable to the proposed loan. I replied that Mr. Seligman had called at the Foreign Office, and had been informed that His Majesty's Government were willing to give their moral support to such a loan on the understanding that the revenues affected to the existing British and Russian loans must not be encroached on, and that the promoters of the loan must come to an agreement with the two Governments as to its amount, securities, and objects.

I did not mention the other conditions referred to in your telegram No. 116 to Sir G. Barclay of the 20th ultimo, as I was not sure whether you wished me to discuss the question of the loan at its present stage with the Russian Government.

I have, &c.

GEORGE W. BUCHANAN.

[17359]

No. 163.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 161.)

(Telegraphic.) R.

Tehran, May 8, 1911.

MY telegram No. 156 of 6th May.

His Majesty's consul-general at Ispahan reports town quieter, though bazaars are closed.

[17377]

No. 164.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 165.)

(Telegraphic.) P.

Tehran, May 8, 1911.

SHIRAZ.

In continuation of my telegram No. 162 of the 7th May.

I am informed by Nasr-ul-Mulk that he is convinced that Nizam-es-Sultaneh is responsible for the crime, and that Kawam-ul-Mulk has been assassinated with Nasr-ed-Dowleh.

The Persian Government, fearing that the Bakhtiari may take extreme measures, intend, I understand, to nominate Sardar Assad Minister of the Interior in the present Cabinet.

Such a step, while relieving the situation in the capital, and at Ispahan, where the Bakhtiari are supposed to have instigated the disorders, will, I fear, make the position in Fars still more complicated.

[17433]

No. 165.

Sir G. Barclay to Sir Edward Grey.—(Received May 8.)

(No. 166.)

(Telegraphic.) P.

Tehran, May 8, 1911.

SHIRAZ.

Reference to my telegram No. 165 of even date.

Mr. Knox telegraphs that Kawam-ul-Mulk has arrived at Shiraz uninjured, and is now in bast at consulate. I had already this morning authorised acting consul to give asylum to the Kawam if he was in imminent danger and applied for protection of his life to the consulate.

Mr. Knox is inclined to believe that the Nizam was not privy to the attack on the Kawami brothers. I have caused Nasr-ul-Mulk to be informed of acting consul's opinion.

[16964]

No. 166.

Sir Edward Grey to Sir G. Barclay.

(No. 136.)

(Telegraphic.) R.

Foreign Office, May 8, 1911.

YOUR telegram No. 155 of 5th May: Position of Governor-General at Shiraz.
Your action approved.

[17160]

No. 167.

Sir Edward Grey to Sir G. Barclay.

(No. 137.)

(Telegraphic.) P.

Foreign Office, May 8, 1911.

TURCO-PERSIAN frontier. Your telegram No. 163 of the 7th May.

You may give itinerary to Persian Minister for Foreign Affairs, asking him at the same time to treat it as strictly confidential, if you think that there is no danger that Persian Government will communicate it to Turks and if your Russian colleague is similarly instructed.

[1798]

[15829]

No. 168.

Foreign Office to Manchester Chamber of Commerce.

Sir,

Foreign Office, May 8, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 27th ultimo, bringing to his notice the terms of a resolution adopted by the Manchester Chamber of Commerce urging that, in view of the recent acquisition by the Bagdad Railway Company of the lease of the port of Alexandretta and of the right to build a branch from there to a point on the main line, steps should be taken for the effective protection of British interests in those regions.

I am to state, in reply, that this question does not fail to receive consideration, and to express Sir E. Grey's appreciation of the terms of the letter conveying the resolution.

I am, &c.
A. NICOLSON.

[17530]

No. 169.

India Office to Foreign Office.—(Received May 9.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 20th April, 1911, relative to the situation in Fars, &c.

India Office, May 8, 1911.

Enclosure in No. 169.

Lieutenant-Colonel Coz to Government of India.

(Telegraphic.) P.

Bushire, April 12, 1911.

I HAVE sent the following to His Majesty's Minister, Tehran:—

"Your telegram No. 63. In reply to my telegram dated the 6th March, the Government of India have expressed the opinion that in all circumstances it will be best to defer the proposed survey of the Firuzabad route. From papers which have since reached me, I deduce that they arrived at this conclusion in connection with statement of views which they had just sent home on the railway question generally, and in which they had expressed the opinion that, in the event of the Bunder Abbas-Shiraz-Mohammerah line taking shape, Bushire would no longer be of importance as a trading port, and the connection of Bushire with the railway would not be necessary. I incline to view that Bushire harbour is capable of considerable (improvement?), and that, as existence of Bushire-Shiraz trade artery rests on tribal and administrative conditions, it will not easily divert. The construction of the Bunder Abbas-Shiraz-Mohammerah line seems a comparatively remote prospect, and, in any case, the section onward from Firuzabad will form part of that alignment. You will have received by this time the enclosure in my despatch dated the 5th ultimo, which was sent to London and Calcutta. After examining it, will you kindly communicate your final views to Government of India and myself."

[17592]

No. 170.

India Office to Foreign Office.—(Received May 9.)

Sir,

India Office, May 9, 1911.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 4th instant upon the subject of the status of Bahrein, and the effect which a formal definition of it at the present juncture might have on the impending negotiations with Turkey and on British relations with Persia.

As regards Turkey, Viscount Morley feels some diffidence in expressing an opinion, since this Office has not cognisance of all the facts. But the impression which he has formed is that His Majesty's Government have to reckon—and whatever they may do will continue to have to reckon—with the persistent hostility of the Young Turk party, whether under a constitutional régime or a military dictatorship. He further believes that the only prospect of a satisfactory solution of the Bagdad Railway problem lies in a preliminary agreement with Germany, and that, if that is secured, while it will no doubt be necessary to pay all outward respect to Turkish susceptibilities, they can in practice be treated as negligible. It is, therefore, rather the manner in which the declaration of a protectorate over Bahrein might react upon our relations with Germany than its direct effect on the Turkish Government that his Lordship would consider.

From this point of view, it is no doubt desirable to avoid raising any controversial question unnecessarily, and Lord Morley agrees that if the Porte admit our claim to compensation, and issue the desired instructions to the Vali of Bussorah, they will in fact have recognised our protectorate, the formal declaration of which might in that case be made part of the general settlement in the Gulf to be proposed later. But if the Porte reject our claim, as, in his Lordship's opinion, they probably will, it will be necessary to take immediate action in support of it; and he would suggest that His Majesty's Government should thereupon declare the protectorate, and seize and detain Turkish vessels in the river and Gulf until compensation is paid.

I am further to suggest that the Turkish Government should not be permitted to delay their reply unreasonably. It was as long ago as the 19th April that Sir E. Grey instructed Sir G. Lowther to address them.

As regards the Persian Government, Lord Morley would suggest that they might be disregarded if the contingency referred to above should arise. The declaration of a protectorate will doubtless be unwelcome to them, but they have not themselves shown any particular desire to conciliate His Majesty's Government, and as His Majesty's Government have decided to stand out of the Khoromabad Railway concession, the most important question now open with Persia will probably not be prejudiced.

I am, &c.
ED. MONTAGU.

[17613]

No. 171.

Sir G. Buchanan to Sir Edward Grey.—(Received May 9.)

(No. 100.)

(Telegraphic.) R.

St. Petersburg, May 9, 1911.

YOUR telegram No. 137 to Tehran of 8th May: Turco-Persian frontier. In a private letter just received, Acting Minister for Foreign Affairs informs me that he has telegraphed to Russian Minister at Tehran instructing him to abstain from communicating itinerary to Persian Government, and to consult with Sir G. Barclay and to act in concert with him.

His Excellency will not send instructions to Russian Ambassador at Constantinople till he learns your views with regard to points mentioned in my telegram No. 99 of 6th May.

[17591]

No. 172.

Sir G. Barclay to Sir Edward Grey.—(Received May 9.)

(No. 167.)

(Telegraphic.) P.

Tehran, May 9, 1911.

SHIRAZ. In continuation of my telegram No. 166, dated the 8th May, I have received following details of the attack on the Kawamis from His Majesty's acting consul, Shiraz:—

Circumstances of assassination of Nasr-ed-Dowleh, corroborated from many sources, are as follows: Kawami-ul-Mulk and Nasr-ed-Dowleh were accompanied for 8 miles by 150 sowars and others, including six Kashgai. Some fifty guards went on with them from that point. After the party had proceeded about 30 miles the six Kashgai left the escort and joined a body of Kashgai who were in ambush on the road. These men belonged to the tribe of the Kashgai deputy in the Medjliss, Mohammed

Kerim Khan, whose son witnessed the proceedings. The Kashgai shot Nasr-ed-Dowleh at a few yards' range, wounded and beat one of his companions, and looted the baggage which accompanied the caravan. On hearing the alarm escort fled without firing. In the meanwhile Kawami-ul-Mulk, who was half-a-mile ahead, discovering that the road behind him was barred, fled, and by making a long detour succeeded in reaching Shiraz. Having gained his house, which adjoins the gate, he sent to inform the Nizam that he would attempt to take refuge in the consulate, and, if he was thwarted, he and his followers would defend themselves to the end. He escaped in disguise a few minutes later and arrived safely at the consulate. I informed the Nizam officially, and stated that Kawami-ul-Mulk would not leave consulate until I received guarantees for the safety of his life satisfactory to His Majesty's Government. In reply the Nizam stated that 200 armed men had taken up their quarters at the Kawami's house and were likely to foment disorder. I have informed his Excellency that Kawami-ul-Mulk will instruct his wife to dismiss these men, who, according to my information, number about thirty, when a written assurance for the safety of his house and family is received.

Late this afternoon bazaars were closed, and it is possible that Soulet or the Nizam may try to create disturbances in the town.

In the meantime, I am reminding Governor-General officially of his responsibility if European lives and property suffer any harm, and in the morning I shall convey a very grave warning to him verbally.

So long as Nizam, and particularly Soulet, are maintained in their functions I do not believe that any very serious disorders will occur. In the event however of Governor-General being dismissed, and what communication I have had with him to-day has led me to the conclusion that it is no longer possible to clear him from complicity in the murder of Nasr-ed-Dowleh, we must expect a serious situation of anarchy. On the other hand, if Persian Government call Soulet, who is encamped at a distance of 6 miles from the town with several thousand tribesmen, to account, the situation will become dangerous.

To sum up, I consider that the situation is not without danger, and we should hold ourselves prepared to meet unpleasant eventualities.

[17594]

No. 173.

Sir G. Barclay to Sir Edward Grey.—(Received May 9.)

(No. 168.)

(Telegraphic.) P.

Tehran, May 9, 1911.

THE situation at Kermanshah is, His Majesty's consul reports, giving rise to anxiety. Mr. McDouall states, further, that many notables are quitting the town in fear of possible disorders.

Central Government recently recalled an incompetent governor, and the resignation of the deputy-governor has also been announced.

In view of the circumstances reported by Mr. McDouall, I am urging Persian Government to send a capable governor to Kermanshah.

[17624]

No. 174.

Sir G. Barclay to Sir Edward Grey.—(Received May 9.)

(No. 169.)

(Telegraphic.) R.

Tehran, May 9, 1911.

SIR G. BUCHANAN'S telegram No. 99 of 6th May: Turco-Persian frontier.

If Persian Government now send supplementary proposals it will be evident to Turkey that it is done at our instigation. This might prejudice negotiations. It would be better, perhaps, to let things now take their course till Porte rejects Persian terms, when Persia can make fresh proposals with a better show of spontaneity.

Minister for Foreign Affairs read me a note which he had addressed to Turkish Ambassador at the same time that he sent Persian amendments. Note does not expressly mention withdrawal of troops, but refers to a previous communication in which withdrawal had been made a condition precedent to meeting of proposed Turco-Persian commission.

[15978]

No. 175.

Sir Edward Grey to Sir G. Barclay.

(No. 138.)

(Telegraphic.) P.

Foreign Office, May 9, 1911.

OXIDE.

We are continuing to be pressed by Ellingers for fulfilment of our obligations towards them by exacting compensation from Persian Government for Weirs and their own losses through cancellation of Muin-ut-Tujjar's concession and by stopping shipments of oxide from Hormuz by Stricks. As regards Muin-ut-Tujjar's concession, I agree with their contention that burden of proof that it has lapsed lies on Persian Government. Is Ellingers' statement correct that Muin has circulated in Medjliss all his proofs, including original firman?

Until whole question is settled, Ellingers maintain that no grant of any concession forming part of Muin's concession, such as that for working of sulphur deposits of Bostaneh (see Confidential print, "Persia," March 25, Section 2, Colonel Cox's despatch No. 2, Commercial), should be made to anyone else.

On the other hand, Stricks maintain that we have no right to stop shipments of oxide for which they have paid, as burden of proof in Hormuz question lies on Muin. They contemplate securing contract for shipment of oxide from Larak, and they are trying to obtain all the concessions of which Muin has been deprived. Should this prove to be impossible, they will aim at concession for sulphur at Bostaneh.

Stricks have hitherto refused to consent to the course I am anxious to adopt in order to simplify the situation, viz., to inform Ellingers of liability which Stricks have incurred under article 12 of their contract with Persian Government.

The present deadlock must be put an end to, and, unless you see any objection, I propose, as first step, to instruct you to inform Persian Government that we shall put in claim for whole amount of Weirs' and Ellingers' losses at Hormuz (where they are continually increasing) and for Ellingers', as Muin's agent, as regards rest of his concession, unless Persian Government can within given time produce real proof that Muin's concession has lapsed. I should inform Ellingers and Stricks of these instructions.

[17151]

No. 176.

Sir Edward Grey to Sir G. Barclay.

(No. 141.)

(Telegraphic.) P.

Foreign Office, May 9, 1911.

TURCO-PERSIAN frontier. My telegram No. 160 of to-day to Sir G. Buchanan. Persian Government should be advised as suggested, and you should concert with your Russian colleague in taking necessary steps.

[17155]

No. 177.

Sir Edward Grey to Sir G. Buchanan.

(No. 159.)

(Telegraphic.) P.

Foreign Office, May 9, 1911.

MOHAMMERAH-KHOREMABAD line.

My telegram No. 132 to Sir G. Barclay and his telegram No. 158.

Substance of Persian Government's reply to application of His Majesty's Government for option to construct line from Khor Musa to Khoremad, as reported in Sir G. Barclay's telegram No. 135, should be communicated to Russian Government, but you should confine yourself to the first paragraph only of my telegram No. 132 to Sir G. Barclay in giving the substance of my answer to them.

[17151]

No. 178.

Sir Edward Grey to Sir G. Buchanan.

(No. 160.)

(Telegraphic.) P.

Foreign Office, May 9, 1911.

TURCO-PERSIAN frontier. Your telegram No. 99 of the 6th May.

View expressed in last paragraph as to withdrawal of Turkish troops has our approval, and we further agree that it would be well if points left undecided by proposed commission were referred to two Powers before being submitted to arbitration, though Porte are not likely to accept this as a stipulation, and it would be difficult for us to insist on any condition of this kind, either with regard to this point in particular or with regard to general terms of reference as drawn up by Russian and British jurists.

Basis of discussion should, in our view, comprise treaty of 1869, though mediating rôle of two Powers is not very definitely recorded therein, and other treaties subsequent to that of Erzeroum and other documents you mention bearing on same topic, and the two Powers should propose to Persian Government to address supplementary note to Turkish Government in that sense.

In the meanwhile, till note has been presented by representatives of two Powers at Tehran, who will be instructed in this sense, Sir G. Lowther will be told to suspend action as suggested.

[17151]

No. 179.

Sir Edward Grey to Sir G. Lowther.

(No. 134.)

(Telegraphic.) P.

Foreign Office, May 9, 1911.

TURCO-PERSIAN frontier. My telegram No. 160 of to-day to Sir G. Buchanan. You should suspend action if possible.

[17662]

No. 180.

India Office to Foreign Office.—(Received May 10.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 4th May, 1911, relative to the Bushire-Shiraz road.

India Office, May 9, 1911.

Enclosure in No. 180.

Viscount Morley to Government of India.

(Telegraphic.) P.

India Office, May 4, 1911.

BUSHIRE-SHIRAZ road. Please see telegram of the 6th March from Resident, Persian Gulf, forwarded with weekly letter of the 16th March from Secretary to Government of India, Foreign Department, and Government of India's reply. I shall be glad to have your full views as to scheme proposed by Mr. Chick, which Foreign Office consider worth examination.

[17675]

No. 181.

Sir G. Barclay to Sir Edward Grey.—(Received May 10.)

(No. 170.)

(Telegraphic.) P.

Tehran, May 10, 1911.

SHIRAZ.

Reference to my telegrams Nos. 165 and 167, dated the 8th and 9th May respectively.

Although the complicity of Nizam-es-Sultaneh in the murder of Nasr-ed-Dowleh

is probable, the consequences of his dismissal would be so grave that I sent a message yesterday to Nasr-ul-Mulk urging that he should be retained at his post.

Governor-General declares, according to the latest reports from Mr. Knox, that if Sardar Assad is nominated Minister of the Interior he will tender his resignation. The appointment of Sardar Assad would, acting consul thinks, lead to the outbreak in Fars of very serious disorder.

I have on several occasions brought to the attention of Nasr-ul-Mulk, through a private channel, the serious results that would probably follow the appointment of Sardar Assad to the Ministry of the Interior, but I do not feel able to do more. It is clear that Persian Government deem it necessary to appease Sardar Assad, and I am not sufficiently convinced that this view is not sound to justify my pressing them to leave him out of account.

The resignation of the Minister of the Interior has been announced, but Sardar Assad has not as yet been given the vacant portfolio. He asked my advice as to accepting office yesterday, but I declined to give it, confining myself to observing that Kashgai jealousy would be dangerously aroused by his entry into the Cabinet.

[17718]

No. 182.

Sir G. Barclay to Sir Edward Grey.—(Received May 10.)

(No. 171.)

(Telegraphic.) R.

Tehran, May 10, 1911.

MY telegram No. 103 of 31st March.

Russian Minister informs me that joint enquiry into murder of late Minister of Finance was concluded last week. Crime was declared to be premeditated murder. Two murderers were sent to Russia for their trial, but one committed suicide while crossing Caspian.

[17726]

No. 183.

Sir G. Barclay to Sir Edward Grey.—(Received May 10.)

(No. 172.)

(Telegraphic.) P.

Tehran, May 10, 1911.

SHIRAZ.

Please refer to my telegram No. 166, dated the 8th May.

I have received following from Mr. Knox:—

"I have the honour to report that meetings of the Anjuman, which I believe to be organised by Nizam-es-Sultaneh, have taken place to protest against the grant of asylum to Kawam-ul-Mulk in the consulate. The somewhat hostile resolution of Anjuman has been communicated to us privately by the Governor-General.

"His Excellency has also given me to understand that active intervention may shortly become necessary. However desirous Governor-General may be of this solution, as being the only real safeguard for himself, I do not believe that he will dare to take extreme measures to provoke such intervention. Subject to your concurrence, however, I would propose to warn his Excellency that, in the event of the occurrence of disorders rendering intervention necessary for the protection of foreign life and property, His Majesty's Government will hold him personally and directly responsible.

"Although I consider these menaces of the Nizam to be the usual Persian methods employed on these occasions, it is impossible to deny the fact that the situation holds many dangerous possibilities, and I think that we ought to be prepared for any eventuality under present circumstances."

In reply, I have approved suggested communication to the Nizam, and I am at the same time informing Persian Government that I shall hold them responsible for any harm to consulate in Shiraz.

[17737]

No. 184.

Sir G. Buchanan to Sir Edward Grey.—(Received May 10.)

(No. 101.)

(Telegraphic.) P.

TURCO-PERSIAN frontier.

I have communicated to M. Nératof the views expressed in your telegram No. 160 of the 9th May.

It will be, in his Excellency's opinion, unnecessary for us to say anything to the Turkish Government with regard to the terms of the reference to arbitration. His Excellency thinks that if we give the Persian Government to understand that they must consult us, and that they must be guided more or less by our advice, that will be sufficient.

St. Petersburg, May 10, 1911.

[17738]

No. 185.

Sir G. Buchanan to Sir Edward Grey.—(Received May 10.)

(No. 102.)

(Telegraphic.) P.

TURCO-PERSIAN frontier.

Please see your telegram No. 137 of the 8th May to Sir G. Barclay.

M. Nératof shares your view that it would be difficult to refuse to communicate to the Persian Government itinerary of commission

Russian Minister at Tehran will receive instructions in a similar sense.

St. Petersburg, May 10, 1911.

[17726]

No. 186.

Sir Edward Grey to Sir G. Barclay.

(No. 142.)

(Telegraphic.) R.

YOUR telegram No. 172 of 10th May: Situation at Shiraz.

Foreign Office, May 10, 1911.

Persian Government and Governor-General should both be warned that any violence used against the consulate will have the most serious consequences. We could not, in accordance with well-established custom in Persia, refuse temporary asylum to Kawami, who has narrowly escaped assassination; on the other hand, we have no desire to shelter him from just consequences of any criminal act of which he may have been guilty, but we can only surrender him on satisfactory guarantee that he will be brought to a fair trial or sent out of the country, and that pending these proceedings his life will be protected.

[17156]

No. 187.

Sir Edward Grey to Sir G. Barclay.

(No. 143.)

(Telegraphic.) R.

YOUR telegram No. 159 of 7th May: Turco-Persian frontier.

Foreign Office, May 10, 1911.

Action approved.

[17433]

No. 188.

Sir Edward Grey to Sir G. Barclay.

(No. 144.)

(Telegraphic.) R.

YOUR telegram No. 166 of 8th May: Kawamis.

Foreign Office, May 10, 1911.

Action approved.

[17675]

No. 198.

Sir Edward Grey to Sir G. Barclay.

(No. 145.)

(Telegraphic.) P.

Foreign Office, May 10, 1911.

IS the force at the Shiraz consulate sufficient to protect European population in case of danger?

Situation as described by Mr. Knox (see your telegrams Nos. 167 and 170 of the 9th and 10th May) may necessitate our taking special measures to this end.

Have you any suggestions to make?

[17154]

No. 190.

Sir Edward Grey to Sir G. Barclay.

(No. 146.)

(Telegraphic.) P.

Foreign Office, May 10, 1911.

TURCO-PERSIAN frontier.

See your telegram No. 157 of the 7th instant.

Owing to fact that the set of maps referred to as (C) in Persia Print, Part 12, No. 206 (Mr. Parker's memorandum), contain much confidential information, War Office will not agree to their being communicated to Persian and Russian delegates. Two sets of (C) are, however, being forwarded for use at His Majesty's Legation. The Persian Government were given two copies of "identical map" in 1870, and there should be one copy in His Majesty's Legation which might be shown to them if they have lost their own copies.

[17624]

No. 190*.

Sir Edward Grey to Sir G. Buchanan.

(No. 164.)

(Telegraphic.) R.

Foreign Office, May 10, 1911.

SIR G. BARCLAY'S telegram No. 169 of 9th May: Turco-Persian frontier.

You should put this consideration before Russian Government, and say that, if they agree, we accept this modification of proposed procedure.

[15143]

No. 191.

Sir Edward Grey to Sir G. Buchanan.

(No. 129. Secret.)

Sir,

Foreign Office, May 10, 1911.

I HAVE received your Excellency's despatch No. 112, Confidential, of the 18th ultimo, relative to the proposed Trans-Persian Railway, and you may inform the Russian Government that His Majesty's Government, after careful consideration of the projects in consultation with the Government of India, are ready to assent to it in principle, and to agree to the initiation of negotiations between its promoters in this country and in Russia subject to the following conditions:—

1. The line shall enter the British sphere at Bunder Abbas instead of at Kerman, subject to reconsideration as the result of actual survey, and shall in any case join the Indian railway system at Karachee and not at Nushki.

2. There shall be a break of gauge at Bunder Abbas, or wherever the line enters the British sphere of influence in Persia.

3. In return for the co-operation of Great Britain in the project, which examination has shown to be likely to benefit Russia far more than Great Britain or India, Russia shall pledge herself not to entertain or support, without coming to an understanding with Great Britain, any proposal for a line in the neighbourhood of the Perso-Afghan frontier within the Russian or neutral sphere in Persia.

4. Russia shall support demands made by Great Britain of the Persian Government

[1798]

for concessions of the following branch lines connected with the proposed Trans-Persian Railway:—

- (a.) From Mohammerah to Khoremad with a branch to port to be constructed at Khor Musa.
- (b.) From Bunder Abbas or Charbar via Regan and Bam to Kerman.
- (c.) From Bushire, via Aliabad, to some point on a line—
- (d.) From Bunder Abbas, via Shiraz, to Ahwaz.

5. The main line and those of the above branches which lie in the neutral sphere—i.e., (a), (c), and (d)—shall be internationalised; but the branch which lies entirely in the British sphere—i.e., (b)—shall be a purely British project.

6. Absolute equality of treatment in all respects shall be guaranteed to British and British Indian trade passing over the line and its branches.

Your Excellency is at liberty frankly to explain to the Russian Government that the first three of the above conditions are dictated by strategic considerations, and are inserted in the interest of India.

The enclosed copy of a letter from the India Office, taken in conjunction with that from the Board of Trade of the 13th September, 1910, which your Excellency has already had an opportunity of perusing, will enable you to appreciate the reasons which have led His Majesty's Government to the conclusion set forth above.

You could inform the Russian promoters of the general sense of the views of His Majesty's Government, while making it clear both to the Russian Government and to the Russian promoters that His Majesty's Government express no opinion as to the commercial or financial aspects of the question, which are matters to be examined by the syndicates who may desire to participate in the enterprise.

I am, &c.
E. GREY.

[17870]

No. 192.

Persian Transport Company to Foreign Office.—(Received May 11.)

(Confidential.)

Sir,

3, Salter's Hall Court, Cannon Street, London,
May 10, 1911.

I HAVE the honour to refer to your letter of the 31st March last, informing us that His Majesty's Government would not lose sight of the assurances previously conveyed to our company in connection with railway construction in Persia, but would deprecate an application to the Persian Government for a railway concession at the present time, whether by our company or by anyone else. Since the date of your despatch, we understand that His Majesty's Government have applied to the Persian Government for an option for a railway to be constructed by British capital from the Persian Gulf to Khoremad. We therefore take this opportunity to remind you of our readiness to enter upon negotiations with the Persian Government, should His Majesty's Government now consider that the proper occasion has arrived, and we should feel obliged if you would let us know whether action in this sense would be approved by His Majesty's Government. We may add that we have received a telegram from our agents in Tehran, dated the 9th instant, of which I enclose a copy. We understand that the Eastern International Syndicate is the syndicate which was represented by Mr. Wolff in Tehran.

I have, &c.
H. W. MACLEAN.

Enclosure in No. 192.

Copy of Telegram from Messrs. Lynch Brothers, Tehran, dated the 9th May, 1911.

EASTERN International Syndicate will offer to-day construct railway Mohammerah to Khoremad. Loan for the purpose of can be secured on railway. Syndicate stipulate the Persian Government must give no consideration to other offers.

[17914]

No. 193.

Sir G. Buchanan to Sir Edward Grey.—(Received May 11)

(No. 101. Secret.)

(Telegraphic.) P.

RUSSO-GERMAN negotiations.

St. Petersburg, May 11, 1911.

(Secret.)

I was told by the Acting Minister for Foreign Affairs in the strictest confidence yesterday that the observations of the German Government on the revised draft of the Russo-German agreement had now been communicated to him by the German Ambassador. I had the honour to give the substance of this draft in my despatch No. 44, Secret, of the 21st February.

M. Nératof said that some of these observations were acceptable, but that others were not. The chief objection of the German Government is to the substitution for the term "Bagdad Railway" in article 2 of the term "Konieh-Bagdad Railway." M. Nératof is evidently afraid that the negotiations will break down if the Russian Government insist on their wording. His Excellency has not yet discussed the question with M. Stolypin, and he gave me to understand that he would consult you, through the Russian Ambassador in London, before taking a definite decision.

I have a safe opportunity this evening and am writing more fully, but as his Excellency impressed on me the necessity of absolute secrecy, I think that it would be better for you to say nothing until the Russian Ambassador broaches the subject.

[17978]

No. 194.

India Office to Foreign Office.—(Received May 12.)

Sir,

India Office, May 11, 1911.

IN reply to your letter dated the 21st April, 1911, I am directed to say that the Secretary of State for India concurs in the proposal of the Secretary of State for Foreign Affairs to approve the action of His Majesty's Minister at Tehran in presenting to the Persian Government the account of the establishment charges incurred under article 2 of the convention of 1901, regarding the Central Persia Telegraph Line, concurrently with the accounts of expenditure on construction under articles 3 and 4.

I am, &c.
R. RITCHIE.

[18068]

No. 195.

Sir G. Barclay to Sir Edward Grey.—(Received May 12.)

(No. 173.)

(Telegraphic.) P.

SHIRAZ.

Tehran, May 12, 1911.

In reply to your telegram No. 145 of the 10th May, I have the honour to state that Mr. Knox is not in favour of an increase of the consulate guard, and I concur in acting consul's view. Mr. Knox points out that if anything occurred it would be before the reinforcement could reach Shiraz.

Acting consul is inclined to discount the threats of attack on the consulate. He says that the danger of such an eventuality is daily becoming more improbable, although, of course, some isolated act may well be perpetrated.

I feel sure that Mr. Knox would offer asylum in the consulate to any European were he in danger.

[18066]

No. 196.

Sir G. Buchanan to Sir Edward Grey.—(Received May 12.)

(No. 107.)

(Telegraphic.) P.

TURCO-PERSIAN frontier.

St. Petersburg, May 12, 1911.

Please see your telegram No. 164 of the 10th May. Russian Minister at Tehran has telegraphed to his Government in the same sense as Sir G. Barclay in his telegram

No. 169 of the 9th May. Modified form of procedure proposed by the two Ministers is acceptable to Acting Minister for Foreign Affairs.

M. Nératof also thinks that proposed communication should now be made to the Ottoman Government on the subject of the tour of inspection of the Anglo-Russian Commission. Russian Ambassador at Constantinople is being instructed to concert with Sir G. Lowther as to the terms of this communication.

[17737]

No. 197.

Sir Edward Grey to Sir G. Buchanan.

(No. 168.)

(Telegraphic.) R.

Foreign Office, May 12, 1911.

YOUR telegram No. 101 of 10th May: Turco-Persian frontier.

I concur in view of Acting Minister for Foreign Affairs.

[18194]

No. 198.

Messrs. Ellinger and Co. to Foreign Office.—(Received May 13.)

Sir,

28, Oxford Street, Manchester, May 11, 1911.

WITH reference to our letter of the 31st March, in which we dealt at length on the present position of the question regarding the Hormuz concession of the Muin, we regret that we are still without any reply from you to the representations we made in the above-mentioned letter.

We have in the course of the correspondence frequently pointed out to you the prejudice that we are suffering through the delay of His Majesty's Government in fulfilling the promises of support which they have made to the Muin-ut-Tujjar and ourselves from time to time, and more especially the damage which has been and is being done to our interests and those of Messrs. Andrew Weir and Co. by the continued imports of oxide into this country by Messrs. F. C. Strick and Co., and the favoured position in which this firm has been, and notwithstanding our remonstrances continues to be, placed by the inaction of His Majesty's Government in this matter.

In view of the great delay—now extending over a period of more than a year—which has taken place, and of the patience we have exhibited as long as there was the slightest ground to suppose that the reasons advanced by His Majesty's Government for non-interference had any foundation, we trust that His Majesty's Government will now recognise our right to ask for prompt action and let us have further information regarding the position of affairs generally, and their assurance that our request for the cessation of shipments has been given effect to.

We are, &c.

ELLINGER AND CO.

[18440]

No. 199.

Aide-mémoire communicated by Tewfik Pasha, May 13, 1911.

TEVFIK PACHA avait déjà entretenu son Excellence Sir A. Nicolson du mouvement des navires de guerre de Sa Majesté britannique dans le détroit de Fav.

D'après les informations parvenues ultérieurement, ces vaisseaux de guerre y ont installé des mâts pour signaux et des bouées, et ont même tiré, le 6 avril dernier, un coup de canon aux alentours desdites bouées.

Le Gouvernement Impérial juge qu'au point de vue juridique la convention turco-persane de 1263 a reconnu à la Turquie la propriété du Chat-el-Arab et du détroit de Fav; car l'article 2 de ce traité, après avoir reconnu Mohammerah et Djéziret-ul-Hizir à la Perse, ajoute que les navires persans auront le droit d'aller et de venir en toute liberté dans ce fleuve depuis l'endroit où il se jette à la mer jusqu'à l'endroit où aboutissent les frontières des deux États.

Cette clause établit donc que si l'île de Djéziret-ul-Hizir a été cédée, le fleuve lui-même a été retenu comme propriété ottomane, car autrement on aurait dû stipuler la faculté de libre passage pour les navires des deux parties et non pour les bâtiments persans seuls.

Si même cette manière de voir était contestable, il est évident qu'en droit la propriété des fleuves servant de frontière appartient par indivis aux Puissances riveraines, ce qui exclut pour un État tiers tout droit d'y faire des actes de souveraineté, tels que pose de balises, bouées et mâts.

Tout en ne méconnaissant pas l'utilité au point de vue de la navigation de l'établissement de signaux indiquant les parages du fleuve où les navires peuvent passer sans inconvénient, le Gouvernement Impérial estime toutefois que le fait de les installer par des navires de guerre étrangers constitue une atteinte aux droits de souveraineté de la Turquie, étant donné que le Chat-et-Arab est essentiellement ottoman, ou appartient du moins par indivis aux deux États riverains.

Il serait donc plus conforme aux principes du droit international que la pose de balises, mâts et bouées fût opérée par des navires de commerce, après une entente avec le Gouvernement Impérial ou tout au moins avec les deux États riverains, et qu'en tout cas on ne tire plus de coups de canons dans le Chat-el-Arab.

*Ambassade Impériale ottomane, Londres,
le 13 mai, 1911.*

[18162]

No. 200.

Sir G. Barclay to Sir Edward Grey.—(Received May 13.)

(No. 174.)

(Telegraphic.) P.

Tehran, May 12, 1911.

SHIRAZ situation.

Reference to my telegram No. 170 of 10th May.

I am informed by Sardar Assad that he will not become Minister of the Interior in the Cabinet.

[18235]

No. 201.

Sir G. Lowther to Sir Edward Grey.—(Received May 14.)

(No. 112.)

(Telegraphic.) P.

Constantinople, May 13, 1911.

TURCO-PERSIAN frontier.

Please see your telegram No. 118 of the 3rd instant.

I propose to make communication to Sublime Porte on the 15th instant, but my Russian colleague considers that his communication should include statement that Russian delegate, whose name will be given, will be accompanied by escort of twenty-five Cossacks. Please instruct me whether I am to give name of our delegate, and to say what escort is to accompany him.

[18237]

No. 202.

Sir G. Barclay to Sir Edward Grey.—(Received May 14.)

(No. 176.)

(Telegraphic.) R.

Tehran, May 14, 1911.

MY telegram No. 143 of 28th April: Turco-Persian frontier.

Minister for Foreign Affairs to-day asked my Russian colleague what would happen in the event of Persian delegates being appointed for tour on the frontier if Turkish authorities, while permitting British and Russian delegates to pass, prevented the Persian delegate. His Excellency said that in such a case he thought all three delegates should refrain from entering forbidden territory.

If Minister for Foreign Affairs returns to his question, Russian Minister and I would propose to express our concurrence in this view.

[1798]

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[18331]

No 203.

Sir C. Greene to Sir Edward Grey.—(Received May 15.)

(No. 36.)

Sir,

Copenhagen, May 10, 1911.

YOU will recollect that Sir Alan Johnstone, in his despatch No. 152 of the 21st November, 1909, called your attention to a proposed expedition to the lands bordering on the Persian Gulf, under the auspices of the Royal Danish Geographical Society, and that he subsequently reported in his despatch No. 160 of the 22nd December the result of an interview which he had had with M. Scavenius, the then Minister for Foreign Affairs, in obedience to your instructions.

I have now the honour to inform you that, having noticed the article, of which a translation is enclosed, in the "Politiken" of the 29th ultimo, announcing the intended dispatch of the expedition in October next, I reminded Count Ahlefeldt that his predecessor in office had been requested to furnish His Majesty's Government with information as to the scope of the undertaking, and I asked his Excellency to be good enough to cause me to be put in communication with the promoters of the affair. I added that I observed from the newspaper article that it was intended to apply for the protection of the British Government in order to penetrate into the country, and that some of the members of the exploring party were to be Englishmen.

Count Ahlefeldt said that he would ask Professor Olufsen, the secretary of the Geographical Society, to place himself at my disposal and to give me particulars. His Excellency added that he supposed the main interest which His Majesty's Government would have in the proposed expedition would be that it should in no way countenance the introduction of arms into the country.

I shall have the honour to report again as soon as I have seen Professor Olufsen.

I have, &c.

CONYNGHAM GREENE.

Enclosure in No. 203.

Extract from the "Politiken" of April 29, 1911.

(Translation.)

A DANISH EXPEDITION TO THE PERSIAN GULF.

THE COMMITTEE OF THE GEOGRAPHICAL SOCIETY DISPATCHES ITS FIRST EXPEDITION.

INTERVIEW WITH PROFESSOR OLUFSEN.

THE committee, which was constituted a year ago, includes Admiral Richelieu, President; Professor Olufsen, Secretary of the Geographical Society; Consul Valdemar Glückstadt, and M. M. L. Frimodt.

Professor Olufsen has made the following statement:—

"The object of the committee is to send out geographical expeditions, and at the same time to ascertain how the commerce of Denmark can be developed in unknown lands. We are dispatching an expedition, with this double aim in view, to the Persian Gulf, to Oman and Hadramaut, starting from the town of Muscat in South-Eastern Arabia. The well-known Danish explorer Carsten Niebuhr travelled through Arabia in the eighteenth century. In Omar and Hadramaut British interests are strongly represented, and we must apply for the protection of the British Government in order to penetrate into the country. The expedition will consist of Lieutenant Davidsen, of the artillery, and Mr. Raunkiaer (*stud. mag.*), both of whom know Arabic and are well fitted both for travelling and study. The remaining members of the expedition will be Englishmen. First Lieutenant Davidsen will map the country. It is owned by Sultans, and, although the trade routes to the East have passed round it for centuries, is entirely unknown. In olden times there was a certain civilisation in those parts—that of Sheba (Queen of Sheba). No doubt traces will be found by the expedition in inscriptions, ruins, &c., which may also prove important. Student Raunkiaer has made a speciality of the study of commercial geography, which has taken so great an extension in Germany. He is quite young, but very efficient and

intelligent. He will study the people, their habits, customs, and specially their trade, and the field which the latter may offer for European enterprise. All that part of Arabia is a sort of colonial warehouse, providing coffee, dates, and other southern fruits; and generally articles which we and others require without any steps having ever been taken to enter into closer relations with the country.

"The steamers of the East Asiatic Company pass close by on their regular routes. Here, as in so many other places on this globe, there is an opening for Danish energy and enterprise.

"The expedition will in all probability sail for Aden in a steamer of the East Asiatic Company, and will start, at earliest, on the 1st October in order to be home again in the spring of 1912. That is the best time to go. From Aden the expedition will proceed to Muscat, and push from there into the interior. The committee's work is supported by the subscriptions of private well-wishers.

"We hope to secure real work for Danish interests. A small country which dispatches a small and modest expedition can, perhaps, do more useful work than the costly and pretentious arrangements of a great country."

We annex a map of the regions near the Persian Gulf* where the expedition dispatched by the Expeditions Committee of the Geographical Society will reclaim new ground—Oman and Hadramaut. The interior is, according to geographers, a desert, but probably contains great oases and remains of an ancient civilisation dating back to 500 years B.C. The members of the expedition, First-Lieutenant Davidsen and student Raunkiaer, will travel on camels and asses. The travellers start in October and expect to return in May 1912 (see article).

[18299]

No. 204.

Sir G. Buchanan to Sir Edward Grey.—(Received May 15.)

(No. 127. Secret.)

Sir,

St. Petersburg, May 11, 1911.

IN the course of a conversation which I had with the Acting Minister for Foreign Affairs yesterday, I enquired whether the German Ambassador had, since his return from leave of absence, made any communication to the Russian Government on the subject of the Russo-German negotiations.

M. Nératof replied that Count Pourtalès had communicated to him certain observations which the German Government desired to make with regard to the revised text of the agreement, of which I had the honour to forward you a summary in my despatch No. 44, Secret, of the 21st February last. On my enquiring whether these observations were satisfactory, M. Nératof said that some of them were acceptable, but that others were not so; and he then proceeded to say that the chief objection raised by the German Government concerned the substitution in article 2 of the term "Konieh-Bagdad Railway" for that of "Bagdad Railway," which had been used in the original draft. Count Pourtalès had contended that as arrangements had now been made for the construction and completion of the Konieh-Bagdad line within the next four or five years, it would not be of the least advantage to Germany were Russia to engage not to oppose the realisation of that line. Such an engagement must, if it was to carry any weight with the German Government, extend to the whole Bagdad Railway system, so as to include the Gulf section, whose construction had still to be provided for. M. Nératof had, on the other hand, argued that the Russian Government had always understood that the engagement in question merely concerned the railway as far as Bagdad, as the question in discussion between the two Governments was the linking up of the Bagdad and North Persian Railway systems by a line running from Sadijeh to Tehran via Khanikin. The Bagdad-Gulf section, he had asserted, had nothing whatever to do with this question, and had not entered into the purview of the negotiations.

M. Nératof informed me that he had not yet submitted the matter to the Council of Ministers, and that before coming to a final decision he would consult you through the Russian Ambassador in London. He was, in fact, only waiting for a safe opportunity to write to Count Benckendorff, as he was so anxious that the Germans should not suspect him of discussing the question with you that he preferred not to trust such a

* Not reproduced.

communication to a cypher telegram. He was afraid, however, that the German Government would insist on the retention of the original wording—"Bagdad Railway"—and that if the Russian Government refused to yield on this point the whole negotiations would break down. This would mean that Germany would regain her liberty of action in North Persia, and the first use which she would make of it would be to obtain a concession for the Khanikin-Tehran line.

I said that I knew that you were anxious that the present negotiations should be brought to a satisfactory conclusion, but that at the same time we should naturally prefer to see the words "Konieh-Bagdad Railway" retained in the text. I had always understood from what M. Sazonow had told me that the German Government perfectly understood that the engagement which Russia was to take was restricted to the railway as far as Bagdad; but this did not now appear to be the case. I trusted, however, that if the Russian Government should find itself obliged, in order to prevent a breakdown of the negotiations, to give way to Germany on this important point, it would do so only on the understanding that no other concessions were to be expected from it.

I was unable to get M. Nératof to say what were the observations submitted by the German Government which he regarded as unacceptable. He told me, however, that Germany had offered her financial participation in the Khanikin-Tehran Railway, should the Russian Government desire it, and gave me to understand that some other formula would have to be found to record the engagements taken by Germany in the third article respecting the railways to the north of Khanikin; but he did not say whether he contemplated reverting to M. Sazonow's idea of embodying these engagements in an exchange of notes.

There has been a temporary improvement in M. Sazonow's condition during the past week, and his Excellency has doubtless been consulted by M. Nératof with regard to the German answer to the Russian text of the agreement. I fear, however, that, whoever may be responsible for the conduct of the negotiations at present, Germany is pretty sure to get the better of the bargain.

I have, &c.

GEORGE W. BUCHANAN.

[18301]

No. 205.

Sir G. Buchanan to Sir Edward Grey.—(Received May 15.)

(No. 129.)
Sir,

St. Petersburg, May 11, 1911.

I HAVE the honour to state that, in accordance with the instructions conveyed to me in your telegram No. 159 of the 9th instant, I yesterday communicated to the Acting Minister for Foreign Affairs the substance of the reply of the Persian Government to our application for the option of a railway from Khor Musa to Khoromabad, as well as the substance of your answer, as set forth in the first paragraph of your telegram No. 159.

I have, &c.

GEORGE W. BUCHANAN.

[18454]

No. 206.

Messrs. F. C. Strick and Co. to Foreign Office.—(Received May 15.)

*Baltic House, Leadenhall Street, London,
May 12, 1911.*

Sir,

WE beg to confirm our letter of yesterday's date, and now have pleasure in enclosing, for your perusal, copy of letter we have to-day received from Mr. David Brown, of Tehran, dated the 29th April.

We have, &c.

(For Frank C. Strick and Co., Limited),
FRANK C. STRICK.

Enclosure in No. 206.

Mr. D. Brown to Messrs. F. C. Strick and Co.

Dear Sirs,

Tehran, April 29, 1911.

ON the evening of the 27th instant I had an interview with the Muin-ut-Tujjar. In the course of conversation I asked him if he had notified Weir and Ellinger of his inability to ship at the time the Government took possession of the island of Hormuz from him last year, and he informed me that he had informed them by letter and by wire in accordance with the terms of the supplemental contract. He also stated that for some months previous to the Government taking possession of the island he both wired and wrote to them that they must take steps to ship as much oxide as possible, or else give him permission to ship on his own account; that in the event of the Government taking the island from him, he would lose all the oxide he had on it. The Muin-ut-Tujjar stated to me that Ellinger and Weir asked permission from him to take action against the Persian Government, but this he did not give. He added that Ellinger and Weir had protested through the British Foreign Office and the British Legation.

I asked the Muin when he was going to put his own men on the island of Hormuz again; that I noticed the Customs officials were still in charge there. He replied that he was unable to say; that the present Cabinet had offered him a concession on the same terms as that offered by the late Cabinet, but he preferred to wait until the case was decided by the courts whether the previous firman still held good or not. From the conversation I had with him I gathered that he had made no progress whatever with the present Cabinet.

With regard to the bill for 24,000*l.* drawn by the late Sani-ed-Dowleh, Minister of Finance, I told him I required a letter from the present Minister of Finance and one from the Minister of Mines and Public Works before I can act upon it. The Muin will probably have to give something to obtain these letters, and it is doubtful whether he will succeed or not.

In view of the supplemental contract between the Muin and Weir and Ellinger, I do not think the Persian courts would allow the claim of Weir and Ellinger against the Muin-ut-Tujjar. But a great deal would depend on whether the Muin sided with you or with Weir and Ellinger. The courts in Persia are as open to bribery as those of Turkey.

I see no immediate prospect of being able to do anything towards obtaining a concession of the Gulf islands.

I am, &c.

DAVID BROWN.

[18427]

No. 207.

Sir G. Barclay to Sir Edward Grey.—(Received May 15.)

(No. 175.)

(Telegraphic.) P.

Tehran, May 15, 1911.

IN reply to your telegram No. 138 dated the 9th May, I have the honour to report that the pamphlet alluded to in my telegram No. 29 of the 31st January contained all the proofs which the Muin has caused to be circulated in the Medjliss. Muin states that his original firman, which is not produced, was dated 1894 (in your letter to Ellinger under date of the 7th March I notice that it was erroneously given as 1874), and, running from 1895, had a duration of ten years. I do not believe that any of the parties concerned dispute this fact. It is on the firman of 1904, of which I had the honour to enclose a translation in my despatch No. 317 of the 19th December, 1908, that the Muin appears principally to base his case. He maintains that this document vests in him the concession for mining the oxide in perpetuity.

There appears to me no other objection save that set forth in fourth paragraph of my telegram No. 23 of the 25th January to sending in the communication proposed to the Persian Government so far as regards Hormuz. As for the losses sustained by Messrs. Ellinger in their capacity as Muin's agents for his remaining concessions, this question has never been raised by me in the warnings I have sent in to the Persian Government, and I can find nothing to bear out any contention that Ellinger had concluded with the Muin a permanent contract to act as his representative. Persian

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Government would, I think, hardly consider such a claim as just, and, if we press it, our action, while tending to inspire distrust towards British enterprise, would at the same time strengthen the Muin's position. In this connection I would submit that it is to our interest to endeavour to curtail rather than increase the Muin's mischievous influence in the Gulf.

Nevertheless, I believe that we shall probably elicit nothing more than on previous occasions from the Persian Government if we only threaten them with a claim for compensation for the losses caused by the non-fulfilment of the contract held by Weir.

I notice that you do not allude to the objection I noted in fourth paragraph of my telegram No. 23 of the 25th January, and I therefore conclude that you do not consider it important. In these circumstances, and under the assumption that any arrangement between Strick, Weir, and Ellinger for the mutual arrangement of the difficulty is out of the question, I would suggest that I should be authorised to present a claim on the following lines to the Persian Government:—

(R.) "His Majesty's Government understand that the Muin held a concession for ten years granted by a firman dated 1894. In 1904 this concession appears to have been confirmed by a further firman for an indefinite period.

"Without prejudice to the question as to whether or no the Persian Government had the right at all to dispossess Muin of his concession, His Majesty's Government consider that the terms of the second firman, together with the fact that Muin was in undisputed possession in 1908, justified British firms in entering into a contract with Muin for the purchase of oxide for a reasonable period ahead, and in expecting that that contract should be respected.

"In August 1909, when the Persian Government thought of dispossessing the Muin, I warned your Excellency's predecessor of this contract, and on the 11th April, 1910, I informed him that His Majesty's Government insisted on its being maintained. As the Persian Government have failed to do this, I have the honour to claim the sum of _____ as compensation to the firms which have suffered through the non-fulfilment of the contract.

"The Persian Government have referred me to a certain undertaking entered into by Strick, but I would point out that the claim which I am now presenting on behalf of Weir and Ellinger can only lie against the Persian Government, and any counter-claim which the Persian Government consider they have on this hand against Strick is a matter for separate settlement between the Persian Government and Strick."

Please inform me of amount to be claimed if you concur.

[18235]

No. 208.

Sir Edward Grey to Sir G. Louther.

(No. 146.)

(Telegraphic.) R.

Foreign Office, May 15, 1911.

YOUR telegram No. 112 of 13th May: Turco-Persian frontier.

British delegate will be Mr. Shipley, His Majesty's consul-general at Tabreez, who will be accompanied by six sowars.

[18237]

No. 209.

Sir Edward Grey to Sir G. Buchanan.

(No. 179.)

(Telegraphic.) R.

Foreign Office, May 15, 1911.

SIR G. BARCLAY'S telegram No. 176 of 14th May: Turco-Persian frontier.

Enquire view of Russian Government as to what our action should be in case suggested by Persian Minister for Foreign Affairs. Persian suggestion seems reasonable.

[18485]

No. 210.

Foreign Office to War Office.

Sir,

Foreign Office, May 15, 1911.

SIR EDWARD GREY has had under his consideration Sir W. Nicholson's memorandum of the 26th ultimo respecting the project for a Trans-Persian Railway.

Without wishing to dispute many of the arguments against the utility and advantage of the construction of such a line—so far as British interests are concerned—Sir Edward Grey is disposed to think that Sir W. Nicholson somewhat underrates the commercial value of a line debouching at Bunder Abbas, which has, for some time past, been recommended to Sir E. Grey by competent authorities as likely to give a great impetus to British trade with Persia.

He will also refrain from discussing the measures of defence which might become necessary if the line was built, as its construction has been approved by the Government of India. He would add, in this connection, that the proposal to construct and garrison a fortress at some point on the coast section did not emanate from the Government of India but from the chief of the Indian general staff, who made it in a separate note, and that the suggestion was adopted neither by the committee appointed to consider the question of the railway, of which that officer was a member, nor by the Government of India themselves, of which the commander-in-chief is a member.

The reasons which have weighed in the decision to inform the Russian Government that he is ready to refer the examination of this question to a "comité d'études" are the conviction that it will be impossible to resist indefinitely the construction of a Trans-Persian Railway, and that, if constructed, it is highly important that it should follow an alignment which, with all its disadvantages, is that preferred by the Government of India to other possible routes.

It is possible that the project may not survive a minute investigation, and that it may, for financial and economic reasons, be found to be impracticable; but until the question has been thoroughly examined, Sir E. Grey feels that he would not be justified in negating a scheme which is strongly advocated by the Russian Government, and which, *prima facie*, would be to the advantage of Persia.

I am, &c.

LOUIS MALLET.

[18718]

No. 211.

Sir G. Louther to Sir Edward Grey.—(Received May 16.)

(No. 113.)

(Telegraphic.) R.

Pera, May 16, 1911.

YOUR telegram No. 146 of 15th May: Turco-Persian frontier.

Communication made to Porte to-day.

Text by bag to-morrow.

[17870]

No. 212.

Sir Edward Grey to Sir G. Barclay.

(No. 155.)

(Telegraphic.) P.

Foreign Office, May 16, 1911.

MOHAMMERAH-KHOREMABAD Railway.

Please state if following report, received from Persian Transport Company, is correct, viz., that on the 9th May International Oriental Syndicate were to offer to construct above-mentioned railway on conditions that Persian Government was to entertain no other offers, and that the necessary loan was to be secured on the railway itself.

In telegraphing as requested, you should add report as to chances of its acceptance.

[18066]

No. 213.

Sir Edward Grey to Sir G. Lowther.

(No. 151.)

(Telegraphic.) R.

Foreign Office, May 16, 1911.

SIR G. BUCHANAN'S telegram No. 107, paragraph 2 of 12th May: Turco-Persian frontier.

You may proceed accordingly.

(Repeated to St. Petersburg, No. 181, and Tehran, No. 154.)

[17222]

No. 214.

Foreign Office to Mr. Greenway.

(Confidential.)

Sir,

Foreign Office, May 16, 1911.

I AM directed by Secretary Sir Edward Grey to inform you that he has received a despatch from His Majesty's Minister at Tehran reporting that, in the course of your recent visit to that capital, you represented to him that, as your Government were contemplating a resumption of work on their wells at Kasr-i-Shirin, it would be desirable for the better protection of their interests that a British vice-consulate should be established in that locality.

Sir G. Barclay was disposed to share this opinion, and consulted His Majesty's consul at Kermanshah with a view to ascertain whether a suitable person of British nationality could be found to undertake the duties of the post without remuneration.

Mr. Macdonall telegraphed, in reply, that he considered such an appointment advisable, but that no suitable person was available on the spot to occupy the post, while it was naturally impossible, as it was unpaid, to send anybody from elsewhere for the purpose.

Mr. Macdonall's telegram was followed by a despatch, dated the 11th April, describing the circumstances in which Mr. Soane, the representative of your company, had begun work at Kasr-i-Shirin, and the relations which have existed in the past between the latter and Karim Khan, Shuja-es-Sultan, the local Bajlan chief, who accepted responsibility, under certain conditions, for the custody of the company's property during the suspension of their operations in that region. The cessation of this arrangement, through the resumption of work by the company, causes great loss to Karim Khan, who may be expected to oppose it, while the Persian Government are at present without any proper representative in the district except the director of customs, and have no authority there whatever.

The Prince governor has acquiesced in the appointment by Daud Khan of Karim Khan as Governor of Kasr-i-Shirin, and has no force to oppose Daud Khan.

In view of the circumstances, especially the absence of authority in the district, Sir G. Barclay is of opinion that it would be unwise to appoint a British consular officer at Kasr-i-Shirin unless he were protected by a strong escort.

I am to state that Sir E. Grey concurs in this view.

I am, &c.

W. LANGLEY.

[17870]

No. 215.

Foreign Office to Persian Transport Company.

(Confidential.)

Sir,

Foreign Office, May 16, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 10th instant relative to the recent application by His Majesty's Government to the Persian Government for an option to construct, with British capital, a railway from the Persian Gulf to Khorremabad.

I am to inform you that the question still forms the subject of negotiations with the Persian Government, and that a further communication on the subject will be addressed to you in due course in reply to your enquiry as to whether the proper moment has arrived for your company to approach the Persian Government on the subject.

I am to express to you at the same time Sir Edward Grey's thanks for the copy of a telegram, enclosed in your letter, relative to the reported offer of the International Oriental Syndicate to construct this line.

I am, &c.

F. A. CAMPBELL.

[18821]

No. 216.

Sir G. Barclay to Sir Edward Grey.—(Received May 17.)

(No. 178.)

(Telegraphic.) R.

Tehran, May 17, 1911.

MY telegram No. 172 of 10th May: Shiraz.

Agitation against consulate, which seemed to be quieter, has taken to-day fresh lease of life, apparently at instigation of Governor-General.

Following from acting consul, No. 111:—

"This morning bazaars and public offices are closed, and considerable number of population are encamped in Persian telegraph office.

"Chief objects of the demonstration are to demand surrender of Kawam and to protest against orders from Tehran for dispatch thither of four satellites of the Governor-General and of Soulet.

"Agitation receives direct encouragement of Governor-General. Though some more respectable members of Anjuman have resigned, demonstration is taking larger proportions, and town roughs are being well paid and fed. Much abusive language against myself and many wild threats are used.

"After fiasco of last demonstration I do not anticipate any serious trouble. At the same time, so long as Governor-General and his four satellites remain in power I can foresee no end to this unsettled situation. Soulet's agents are more active than before. Do you think advisable that I should write him and ask for explanation of this, in view of assurances he had previously given to me?"

I have replied as follows:—

(No. 77.)

"You should inform Governor-General hitherto I have been urging on Persian Government his retention as Governor-General, but if the agitation against Kawamis continues I shall be compelled to reconsider my attitude. You can assure Governor-General that Kawam will [? be] removed from Shiraz as soon as I am satisfied as to his personal safety.

"I think further communication with Soulet at this stage undesirable."

[18838]

No. 217.

Sir G. Lowther to Sir Edward Grey.—(Received May 17.)

(No. 115.)

(Telegraphic.) R.

Pera, May 17, 1911.

MY telegram No. 113 of 16th May: Turco-Persian frontier.

My communication was made to the Under-Secretary of State for Foreign Affairs. My Russian colleague saw the Minister for Foreign Affairs, who assured him that orders in sense requested would be sent immediately, but added that when the delegates entered Turkish territory a Turkish guard must be substituted.

He explained steps which were being taken to come to a direct understanding with Persia. His version corresponds with information from Persian sources. In view of hope that these negotiations would be successful, he submitted for appreciation of Russian Government whether it would not be possible to abandon, or at least postpone, the journey of the delegates, which might cause friction. The Minister for Foreign Affairs said that he could not see what useful purpose it could serve, as he was prepared to admit that Turkish troops were occupying certain places in Persian territory, but Turkey had no desire to acquire any fresh territory, but merely desired to bring about a final delimitation.

[1798]

2 I

[18841]

No. 218.

Sir G. Buchanan to Sir Edward Grey.—(Received May 17.)

(No. 109.)

(Telegraphic.) P.

St. Petersburg, May 17, 1911.

TURCO-PERSIAN frontier.

The Acting Minister for Foreign Affairs shares the view expressed in your telegram No. 179 of the 15th May.

His Excellency now suggests that instructions should be sent to the two Ambassadors at Constantinople to invite the Ottoman Government to accord the same facilities for entering Turkish territory to the Persian delegate as are to be accorded to the Russian and British delegates, on the understanding that similar permission to enter Persian territory shall be given to a Turkish delegate if appointed.

Acting Minister for Foreign Affairs proposes that in the event of the Ottoman Government declining to appoint a delegate we should warn the Ottoman Government that we expect that the passage of the Persian delegate on to Turkish territory will not be forbidden, without, however, saying that the British and Russian delegates will also abstain from entering the territory in question should the Persian delegate not be allowed to pass.

Russian Ambassador will be instructed in the above sense, and if similar instructions are sent to His Majesty's Ambassador the two Ambassadors could consult together as to the form which proposed communication to the Porte should take.

[18952]

No. 219.

Admiralty to Foreign Office.—(Received May 18.)

(Confidential.)

Sir,

Admiralty, May 17, 1911.

WITH reference to Admiralty letter of the 22nd ultimo, enclosing copy of telegram from the commander-in-chief, East Indies, I am commanded by my Lords Commissioners of the Admiralty to forward herewith, for the information of the Secretary of State, copy of a letter dated 22nd April, which the commander-in-chief has addressed to the Government of India relative to the question of the terminal port of the Bagdad Railway.

Copy has also been sent to the India Office and Committee of Imperial Defence.

I am, &c.

W. GRAHAM GREENE.

Enclosure in No. 219.

Rear-Admiral Sir E. Slade to Admiralty.

(Confidential.)

Sir,

"Highflyer," at Koweit, April 22, 1911.

BE pleased to lay before his Excellency the Viceroy and Governor-General of India in Council the following remarks on the general state of affairs in the northern part of the Persian Gulf. Now that our survey of the entrance to the Shatt-el-Arab is finished, it is possible to compare the plan with that of Koweit, and to draw certain conclusions. I have consulted the officers who made the survey, and I have visited both places recently, and I have discussed the question with Colonel P. Z. Cox, the political resident in the Persian Gulf. I have in consequence formed the opinion that it is impossible to dissociate the navigation of the Shatt-el-Arab bar from the general question of the terminus of the Bagdad Railway, and that the two matters must be considered together if we are to arrive at a sound opinion.

2. The first question that arises is that of the correct boundary between Persia and Turkey. The work of the commission assembled under the treaty of Erzeroum to delimit the frontier between those countries was abortive, and in any case its report cannot be considered to be a very valuable instrument, as the map by which it was supposed to be accompanied is missing. The sketch map illustrating the text is hopelessly inaccurate, and only leads to trouble, since it appears that the Turks have a copy of it, and will doubtless try to put it forward as having conventional force.

By this treaty Turkey is understood to claim, amongst other things, the whole

waterway of the Shatt-el-Arab from bank to bank, and Turkish officers have tried to enforce it by requesting British officers who were surveying to remove a tide pole which they had erected on the Persian shore. This contention, as far as I know, is most unusual, for the line of demarcation between two States bordering a stream is usually the centre of the fairway, or midway between the low-water marks on either side.

Until this point is settled, it is impossible to say exactly where the respective territorial waters end, but, however the matter is decided eventually, it does not appear that Turkey can justifiably claim that the whole of the approaches to the river pass within her territorial limits.

3. An examination of the survey of the bar, which has just been completed, shows that there is a good channel into the river, with a least depth on it of 13 feet at low water. The rise and fall of the tide is about 9 to 10 feet, which will allow vessels of from 21 to 22 feet draught to enter the river at high water. As far as I know, there is plenty of water in the river for any class of ship which is likewise to trade to the Gulf. The length of the shoal water over the bar is $1\frac{1}{2}$ miles, and, as the bottom is soft mud, there should not be any difficulty in increasing the depth on the bar by dredging to 15 or 16 feet, which will admit any vessel up to 24 or 25 feet draught. This would be ample for all practical purposes.

4. At Koweit there are two places at which the harbour might be made. One of these is at Shweikh, where vessels drawing 19 to 20 feet can enter at high water. The depth of water there over the bar is about the same as over the bar of the Shatt-el-Arab, and the distance to be traversed in shoal water is less in the former than in the latter place. The bottom, however, is hard instead of soft, and it is not possible for quite such heavy draught ships to enter Shweikh as can enter the river. The anchorage at Shweikh is good but small, and there is little room for expansion. It is exposed to the north-east, from which quarter a nasty sea will reach the anchorage—not enough to render it unsafe for shipping, but sufficient to interfere with lighterage.

5. The other possible situation for a harbour at Koweit is the Duhat Kathama, where vessels drawing 24 to 25 feet can lie at about $1\frac{1}{4}$ to $1\frac{1}{2}$ miles from the shore. This anchorage is more exposed than Shweikh, but it has not a bar and there is more room in it. If Koweit were to become an important port, as would be the case if it were the terminus of the railway, it would probably be necessary to construct a breakwater for the selected harbour.

6. At Shweikh, ships would lie close to the shore, and the length of quays or jetties would not be very great. At Kathama, ships lie a long way out, the water is very shoal, and the shore is low and marshy, so that it would be necessary to undertake considerable work on shore to make it suitable for a large amount of trade.

Since Bussorah is in the river these difficulties do not exist. Quays would be easy to construct there, weather would not interfere with the work, and ample room exists for expansion.

7. Koweit appears to have been selected by the Germans in the first instance as the only suitable place for the terminus of the railway, and it was this apparently which dictated our present attitude towards the Sheikh and Turkey. Why Germany took that view I do not know, unless it be that she thought that she would have more chance of obtaining an independent position at Koweit than if the terminus were at Bussorah.

8. Last year we allowed the buoys on the Shatt-el-Arab to get into a very bad state, and the chart was not kept up to date, so that ships frequently stranded as they crossed the bar. It would appear that Germany then saw her opportunity, and arranged that her ship-owners should complain to Turkey of the inefficient state of the bouys and press her to put things in order. She did this without any reference to Great Britain, with the obvious intention of substituting Turkey for ourselves as the power controlling the waterway.

Since Turkey is only too anxious to annoy us in these parts at the present moment, she was glad to fall in with the suggestion, and the result is that the Turkish buoys have been placed alongside ours, and the vali has demanded, as stated in the political resident's telegram dated the 27th March, 1911, addressed to the Foreign Department of the Government of India, that we should remove our buoys and marks, as Turkey alone is responsible for the navigation of the Shatt-el-Arab.

9. As I have already indicated, there is not any difficulty in so improving the navigation of the Shatt-el-Arab at comparatively small expense as to admit any small steamers that can reach and use the harbour at Koweit. If Germany and Turkey can make good the claim of the latter to the sole control of the navigation of the river, and if Bussorah is made the terminal port of the railway instead of Koweit, then

the control that Great Britain would exert over the undertaking through her predominant influence in the terminal port will vanish. It is obviously not Germany's policy to make a parade of this nor to appear to take any interest in it, and for tactical purposes she will doubtless continue to put forward Koweit as the only possible port.

When once the Turkish claim has been recognised, she will be in a position to obtain from Germany such assistance as is necessary to finance and control the works for the improvement of the river. In a very short time the works, if properly administered, will more than pay for themselves. If the line from Zobair to Koweit be not constructed, it is probable that the money saved (say 70 miles at 6,000*l.* a mile = 420,000*l.*) will be more than sufficient to do all that is necessary in the river. We shall then have the port and the approaches to it entirely under German-Turkish control.

10. From these considerations it is evident that the chances of Bussorah being eventually chosen as the terminal port are very great, and it seems most important not to allow Turkey to assume the whole control of the river. The best way of checking this appears to be to make Persia object to such an assumption on the part of Turkey, and to put Great Britain forward as her delegate in the matter. The latter, as owning about 85 per cent. of the trade of the river, can also speak on her own behalf, and in this way it may be practicable to place the control of the navigation into the hands of a commission, as suggested in my letter dated the 24th March, 1911, formed of delegates of the three Powers, Persia, Turkey, and Great Britain, with the British delegate as president.

11. It is hardly likely, however, that Germany will acquiesce in this arrangement, in which case we shall have to admit her on the commission. It must then be arranged to put a fifth Power on the commission, in order that there may be an uneven number of delegates, and that the chances of questions being hung up through an equality of votes may be obviated. This other Power must be either Russia or France, preferably the latter, but Russia has the greater claim, and will probably have to be chosen.

A British engineer should be appointed as engineer-in-chief for charge of works in connection with the improvement of the navigation of the Shatt-el-Arab, with a sufficient number of subordinate officials of British nationality under him to ensure the administration being carried on as we should wish it. I think we might be able to press this, having in view all that we have done for the navigation of the river in the past.

12. It is most unfortunate that we should have allowed the upkeep of the buoys and charts to go by default; had we not done so, this question might never have arisen; but as it has come up I do not see any way out of it but to take steps to ensure that neither Germany nor Turkey shall have her own way unchecked. The model of the Danube Commission might be taken throughout as that of the proposed commission, and I think that it would not interfere in the politics of this region any more than the Danube Commission has done in the politics of the Danubian principalities.

13. It must be recognised that the creation of such a commission and the commencement of works to improve the river will still further lessen the chances of the railway being brought to Koweit, but it may still be possible to attract it there by offering to make Koweit a free port, and by giving facilities for the construction of harbour works on an adequate scale. But it is probable that a similar amount of money spent on the river would bring in a better return, and, except for difficulties of ownership and general administration which are likely to arise on account of the peculiar idiosyncrasies of the Turk, Bussorah would appear to be a better place than Koweit in every way.

14. In following the precedent of the European Commission of the Danube, it must not be forgotten that Sulina, where the principal works of the commission are situated, is a free port, and there does not seem to be any reason why a similar port should not be established either on the Persian or Turkish side of the mouth of the river, preferably the former, in order that it should be more under British control. This port would afford very considerable convenience to merchants, particularly to those who may wish to load their ships deeper than the bar will admit.

15. The position of the Anglo-Persian Oil Company must also be considered and safeguarded to the utmost of our power. Looking at it from a naval point of view, the security of the oil company is more important than anything else in the northern part of the Gulf. The oil company will probably be obliged to dredge the bar if this is not done by anyone else, and we shall have to see that restrictions are not put in their way. One effect of the Turkish claim to the whole of the waterway from bank to bank will be that while the oil company's concession is in Persia, the steamers loading will be in Turkey, and the opportunity for friction and trouble will not be lost by an enterprising vali if he wished to annoy us.

16. I have assumed throughout that it is certain that a branch line will be built to Bussorah from Zobair, whatever place is ultimately selected as the terminus. Unless we have a share in the construction of the last section, therefore, it is quite possible that we shall find at the last moment that the branch line has become the main one and that the section between Zobair and Koweit has been abandoned.

17. Even after the section to Koweit has been built, if the navigation of the river is improved so as to admit deep-draught ships without risk, Koweit will probably be abandoned by the trade in favour of Bussorah, on account of the greater facilities which exist at the latter place.

18. The conclusions that have been forced upon me by the above considerations are as follows:—

(1.) That, from a seaman's point of view, the harbour of Koweit offers very few advantages, if any, over the river, and that if the navigation of the river is improved, the latter will not be inferior in any respect.

(2.) That as the natural terminus of the railway is at Bussorah, the trade will go there in preference to Koweit, whatever we may do to prevent it, provided that the former provides facilities over the latter.

(3.) That it is imperative to take steps at once on our own initiative to regularise the situation as regards the navigation of the Shatt-el-Arab.

(4.) That the river should be placed into the hands of a commission, preferably consisting of the three Powers: Persia, Turkey, and Great Britain.

(5.) That, failing this, a commission should be constituted on the lines of the European Commission of the Danube.

(6.) That a British engineer with suitable assistance should be appointed to advise on and undertake works for the improvement of the navigation of the river.

19. It now becomes necessary to consider the steps that we should take to bring Turkey to terms if she should become recalcitrant.

Firstly, all signs of Turkish sovereignty might be removed from the shores of the Persian Gulf, Bubiyan, and Um-Kasr handed over to Sheikh Mubarak, and that chief at the same time properly safeguarded. This can be done without any increase of the present force in the Gulf, but it would probably only irritate the Porte without being in any way effective.

Secondly, we could occupy Fao and the adjacent country, and inform the Porte that unless they quickly came to terms we should blockade the river and stop the trade of Bussorah and Bagdad. This would probably reduce the Turks to reason, but, if we had to enforce the blockade in order to make them yield, it would severely injure our trade for the time, and for that reason would be very unpopular with our own people and with the Arabs. We should require a force of troops to carry out this scheme.

Thirdly, we could take advantage of Turkey's difficulties in Arabia and threaten her line of communication to Hodeida. If carried out, this would result in the loss of Southern Arabia to Turkey and probably also that of the whole of the peninsula, for it is unlikely that having once turned the Turk out of Southern Arabia, the Arabs would stop before Mecca and Medina were once again in their hands. This would be a very extreme measure to take; but, at the same time, it is that which would be most likely to be immediately effective. It is a course, however, which I would hesitate to recommend unless another were not possible.

I have, &c.

EDMOND J. W. SLADE.

[18882]

No. 220.

India Office to Foreign Office.—(Received May 18.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of enclosure in a letter from the Foreign Secretary to the Government of India, dated the 27th April, 1911, relative to the proposed road from Bushire to Shiraz.

India Office, May 17, 1911.

[1798]

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Enclosure in No. 220.

Lieutenant-Colonel Cox to the Government of India.

(No. 365.)

(Telegraphic.) P.

Bushire, April 21, 1911.

I DISPATCHED my telegram No. 333, dated the 12th April, to Minister, in reply to one from him to the effect that he was awaiting information regarding probable total cost before taking any action. In reply to my No. 333, he wires that he is precluded from making a direct communication to the Government of India, but that if, on examination of Chick's memorandum, they should reconsider their decision, he would then recommend that share of cost should be borne by His Majesty's Foreign Office.

[18932]

No. 221.

*Messrs. Ziegler and Co. and Dixon and Co. to Foreign Office.—(Received May 18.)**46, Sackville Street, Manchester,**May 17, 1911.*

Sir,

IN view of the continued insecurity of the trade routes in Southern Persia, we are constrained to address you again on the subject.

In the communication which you were good enough to favour us with on the 19th ultimo, you expressed the opinion that the Nizam-es-Sultaneh and General Maletta should be given a fair trial in order to prove whether they are capable or not of performing the duty entrusted to them by the Persian Government.

With regard to Nizam-es-Sultaneh we understand that he has marched with his forces through districts where he owns property, and has collected his rents from the chiefs who are his tenants. A landlord generally prefers to keep on good terms with his tenants, and the Nizam is probably no exception to the rule. It seems to us, therefore, highly improbable that the chiefs will be deterred from further acts of brigandage, or that punishment will be meted out to those who are responsible for the insecurity of the region.

The mail just in from Shiraz brings us some news also concerning General Maletta's expensive scheme, and coming as it does from an independent, as distinct from an official source, we venture to think that it may interest you to hear it:—

“General Maletta is here to organise the gendarmerie, but he is by no means sanguine of accomplishing it successfully—in fact, to put it plainly, he thinks he can do nothing. His difficulty is, of course, attributed to the weak financial position of the country, and the General sees that, unless the Government is able to improve his resources, the question of a thorough re-establishment of order is out of the question. His instructions are to take what funds he needs from the Fars revenue, but the anarchy existing has deprived the State of its income from this province, and what receipts do come in are not put into the proper channel. Unless the Government assigns a regular and actual credit in favour of the general, nothing good could result from the present device for the restoration of order. General Maletta thinks that, if the Government can find means of meeting his estimate of expenditure, he would be in a position to go on with his work on the Bushire-Ispahan road in a manner that would ensure the safe passage of caravans, say once a month on the Shiraz-Ispahan section and twice a month on the Bushire road, quite independently of the Solat and the Kawamis. To accomplish this he estimates that a force of 1,000 men would be required on each section, 200 men would accompany caravans from start to end of journey, while the remainder of the force would be spread over the whole line to do the patrolling. In order to ensure the loyalty and effective working of the members of this force, the general estimates that each man ought to receive for his pay 1 toman per day. This would entail an outlay on the part of the Government of some 30,000 tomans per month (about 6,000*l.*), a sum which is hardly likely to be contributed by the Persian Government. Even if the general's scheme were brought into practice it would hardly tend to improve the state of affairs in the districts which the caravans traverse, nor would the possibility of getting one caravan per month through on the Shiraz-Ispahan road be regarded by any means as a satisfactory solution by the trading community.”

[18976]

No. 221^o.*Sir G. Barclay to Sir Edward Grey.—(Received May 18.)*

(No. 179.)
(Telegraphic.) P.
RAILWAYS.

Tehran, May 18, 1911.

Reference to your telegram No. 155, dated 16th May.

I am informed by Mr. Osborne that he recently received a verbal enquiry from the Persian Government as to whether the International Syndicate could arrange for the construction of a railway from the Persian Gulf northwards.

After consultation with his principals, Mr. Osborne gave the Persian Government to understand that the International Syndicate would be ready to consider proposals in the sense indicated. On the 16th May he was informed by the Minister for Foreign Affairs that the Persian Government would be ready to enter into negotiations with a view to the construction of a line from north to south on the condition that His Majesty's Government gave their consent to the scheme.

This account is substantially borne out by the Minister for Foreign Affairs, and I understand from his Excellency that the line contemplated by his Government is one from Julfa to Mohammerah. Minister for Foreign Affairs was not, however, very clear on the point.

International Syndicate would, Mr. Osborne also informed the Persian Government, retire if negotiations were begun with any other group.

In reply, I have reminded Mr. Osborne and Minister for Foreign Affairs that the consent of the Russian Government would be necessary for the proposed scheme.

It seems to me more than ever unlikely that the Persian Government could be induced to accept any British offer for a railway which would stop short on the edge of the Russian zone. Minister for Foreign Affairs availed himself of the opportunity, when I took note of the willingness of the Persian Government to enter into negotiations with a British group, to remind me that his previous remarks applied to railway construction in general in Persia, and he intimated that there would be no chance of railway schemes drawn up to comply with the exigencies of the zones of interest being accepted by the Persian Government.

Any indication you can give me to guide me in my attitude towards Mr. Osborne will be welcome.

[1798]

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In your letter of the 24th March to us you were good enough to say :—

"As regards the robbery referred to in your letter as having taken place on the 18th ultimo, 2 farsakhs from Shiraz, I am to state that, according to reports recently received from Sir G. Barclay, the stolen goods have been recovered."

With regard to this statement we have to say that, if the goods have actually been recovered, they have never reached their rightful owners. In this connection permit us to put before you another extract from a Shiraz letter :—

"Some days ago we read in the public news that Persia had informed the Imperial Government that, in the case of a recent robbery of a British caravan near Shiraz, a Government force gave chase to the robbers and recovered the greater portion of the booty. We beg to refute this declaration. With regard to the first report which relates to the incident of the 18th February, 2 farsakhs from here, within view of a portion of the new army, the robbers were held up during their retreat by villagers in the vicinity of Shiraz, who informed the Kawami of what they had done, when about fifteen men of his private suite were dispatched to bring in the loot. In connection with the big haul of the 22nd February no attempt was made to pursue the robbers, who carried away everything quite leisurely. About a fortnight ago the Kawami gave assurances that the whole loot was being returned to town, but it appears that the Arabs mean to do nothing of the kind, as so far there is no indication that we are going to see anything back. It would appear as though the purpose of the Tehran Government, in making these preposterous statements, is merely to pacify England."

This letter is dated the 8th April.

From a letter dated Bushire, the 23th April, we extract the following :—

"Roads in the South.—All that you write and the copies of the correspondence to which you refer us have had our attention. It seems very remarkable that we should receive information from the Foreign Office and from the press at home of the orderly state of the southern roads when we here know that the Shiraz-Ispahan route is in such a state of insecurity that goods destined for Ispahan have remained locked up for many months now in the former place."

You will see, Sir, from these extracts that far from any improvement having taken place on the southern trade routes in Persia, things seem to be steadily drifting from bad to worse, and it is perfectly obvious that, unless some energetic steps are speedily taken to protect it, British trade in those regions will be a thing of the past.

We are, &c.

PH. ZIEGLER AND Co.
H. C. DIXON AND Co.

[18991]

No. 222.

Sir G. Barclay to Sir Edward Grey.—(Received May 18.)

(No. 180.)
(Telegraphic.) *En clair.*

Tehran, May 18, 1911.

SARDAR ASSAD leaves for Europe to-day.

[18821]

No. 223.

Sir Edward Grey to Sir G. Barclay.

(No. 160.)
(Telegraphic.) R.

Foreign Office, May 18, 1911.

YOUR telegram No. 178 of 17th May : Situation at Shiraz.
Your action approved.

[18841]

No. 224.

Sir Edward Grey to Sir G. Lowther.

(No. 153.)

(Telegraphic.) P.

Foreign Office, May 18, 1911.

TURCO-PERSIAN Frontier Commission.

See your telegram No. 115 of yesterday.

I think it would be as well to await Russian Government's views as to wishes expressed to your Russian colleague by Rifaat Pasha reported in your telegram. In the meanwhile, you may concert with your Russian colleague with a view to making to the Turkish Government a communication such as is proposed in St. Petersburg telegram No. 109 of yesterday.

[18838]

No. 225.

Sir Edward Grey to Sir G. Buchanan.

(No. 185.)

(Telegraphic.) R.

Foreign Office, May 18, 1911.

SIR G. LOWTHER'S telegram No. 115 of 17th May: Turco-Persian frontier.

Enquire what reply Russian Government propose to return to communication of Turkish Minister for Foreign Affairs to Russian Ambassador at Constantinople, stating that we are prepared to follow their lead in the matter.

[19001]

No. 226.

Sir G. Buchanan to Sir Edward Grey.—(Received May 19.)

(No. 133.)

Sir,

St. Petersburg, May 16, 1911.

WITH reference to your despatch No. 119 of the 21st April, I have the honour to forward to you herewith copy of a letter from the representative in St. Petersburg of the Indo-European Telegraph Company, asking whether he may state to the Russian Government that the Company's proposals for the repair, maintenance, and working of certain main telegraph lines in Persia within the Russian sphere of influence have the approval of the Foreign Office.

I should be grateful if you could let me know by telegraph what reply I should make to M. Pagenkopf.

I should add that, in the course of the conversation referred to in the enclosed letter, M. Pagenkopf intimated that he was quite prepared to abide by the decision of the Foreign Office in the matter.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 226.

M. Pagenkopf to Mr. Garnett.

Dear Sir,

St. Petersburg, May 3 (16), 1911.

HAVING regard to the correspondence recently exchanged between the Foreign Office and my company, and especially to the communication of the 7th April last from the latter, I would be much obliged, as already verbally stated to you yesterday, for the opinion of his Excellency the Ambassador if I would be at liberty to state to the Russian Government that the company's proposals for the repair, maintenance, and working of certain main telegraph lines in Persia within the Russian sphere of influence, including those from Tehran to Khanakin and Tehran to Meshed, have the approval of the Foreign Office, or that at least the latter does not object to them.

The reason for my making the present enquiry is that discussions concerning these proposals may soon be opened with the Russian Government, and I should like to be prepared to answer any questions that may be addressed to me in this direction.

Perhaps you will be so good as to favour me with his Excellency's decision on my calling again at the end of the present week.

I am, &c.

PAGENKOPF

[19129]

No. 227.

Sir G. Lowther to Sir Edward Grey.—(Received May 19.)

(No. 117.)

(Telegraphic.) P.

Constantinople, May 19, 1911.

TURCO-PERSIAN frontier.

With reference to my telegram No. 115 of the 17th May:

Rifaat Pasha, whom I saw yesterday, spoke to me in almost exactly the same sense as that in which he had spoken to M. Tcharykow. He added that as his Government were genuinely anxious to come to an agreement with the Persian Government, whose answer they were now awaiting, he did not consider that the mission would serve any useful end. His arguments, he seemed to think, had impressed my Russian colleague, who took a somewhat similar line in conversation with me later.

I submit these reasons for the abandonment of the mission at the request of the Minister for Foreign Affairs.

[19172]

No. 228.

Anglo-Persian Oil Company to Foreign Office.—(Received May 20.)

*Winchester House, Old Broad Street, London,
May 18, 1911.*

Sir,

I UNDERSTAND that His Majesty's consul at Bussorah has communicated with his Excellency His Majesty's Ambassador at Constantinople on the subject of some articles which have appeared recently in a Bussorah paper called "El Bussorah-el-Feyha," in which, *inter alia*, a serious charge is made against one of our employes at Abadan.

The charge in question is, I am informed, quite unfounded, and as such attacks are not only prejudicial to our company but are also calculated to arouse racial antagonisms, and thereby to jeopardise the lives of our employes and other English subjects resident in the Persian Gulf and in Mesopotamia, my board will be much obliged if the Secretary of State for Foreign Affairs can cause an enquiry to be made into the matter through His Majesty's consul at Bussorah.

And should it be found, as they are confident will be the case, that the charge in question is quite groundless, my board trust that some steps will be taken to ensure the punishment of, and a public retraction being made by, the editor and (or) publisher of the above paper.

In case the papers may not yet have come before you, I beg to enclose copies of extracts from the articles above referred to.

I have, &c.

C. GREENWAY,

Managing Director.

Enclosure in No. 228.

Extracts from "El Bussorah-el-Feyha, March 27, 1327 (April 9, 1911).

(1.)

THE HARM OF FOREIGNERS' INTERFERENCE.

(Translation.)

IN all the books and pamphlets written by noble wise men they advise Orientals to keep clear of the interference of foreigners, and warn them, and especially the Arab sheikhs of the Persian Gulf, against the evil consequences of it, but unfortunately this good advice is disregarded and the warnings are in vain. So far are they from having paid any attention that the influence of the foreigner has extended to the Sheikh

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of Mohammerah, and the English have obtained a concession for exporting oil from Abadan and have arrived and built their houses there as though it were a British colony, and have begun to spend large sums of money and give large presents. And this has been done without the Government of Mohammerah paying any attention to it. Does it not know that its silence is injurious to its interests and leads to English influence spreading and to their dominating the country? What happened at Dibai is not far from us. Oh, people! the foreigners, and especially the English, if they enter your country they will corrupt it and debase your honour. Oh, people! if the foreigners interfere in your affairs they will slaughter your children and shame your women. Oh, people! awake from your inattention and rouse yourselves from your sleep and be prudent in your affairs, and do not allow the foreigners to interfere with you in any way, for their interference means corruption and perversion. Oh, people! if you continue in this way we tell you you will be destroyed and ruined and utterly exterminated and your women will be defiled. God preserve you from it. The time will soon come when the foreigners will be your masters and you their slaves.

(2.)

The first misfortune which befel Mohammerah was the incident mentioned by our contemporary the "Reshad," in its No. 17, about the Mussulman woman who was ravaged by one of the English employes at Abadan. This occurrence breaks the heart of patriotic men and melts the feelings of the generous-minded. This is the first disgraceful act perpetrated on the people of Mohammerah, and it will be followed by something worse and more bitter, for the English only did this to probe to the bottom the ignorant people of those parts, and if they see that they have no zeal for their honour and no spirit to defend it they will treat them more shamefully and disgracefully than before.

[19321]

No. 229.

Anglo-Persian Oil Company to Foreign Office.—(Received May 20.)

*Winchester House, Old Broad Street,
London, May 19, 1911.*

Sir,

I AM in receipt of your favour of the 16th instant, and regret to learn that His Majesty's Minister at Tehran considers that it would be unwise to appoint a British consular officer at Kasr-i-Shirin unless he were protected by a strong escort.

I would point out that this decision leaves our agent, Mr. E. B. Soane, who is now at Kasr-i-Shirin in charge of the company's property, in a very jeopardous position, and my board will be much obliged if Sir Edward Grey will consider what steps should be taken in the circumstances, both for the protection of our agent, and also to ensure the due fulfilment by the Persian Government of their obligations under our concession to safeguard our property and employes, and to ensure to us free and unrestricted right to work the wells opened by us at Kasr-i-Shirin.

Notwithstanding the assurance given to me by the Regent when I interviewed him in Tehran "that prompt measures would be taken to deal with the rebel," it is clear from what is reported in your letter, and also from recent advices from Mr. Soane, that no practical steps have been taken by the Persian Government to compel Kerim Khan to recognise their authority, but that, on the other hand, they have, through Daoud Khan, appointed him as Governor of Kasr-i-Shirin, in which position he is, it is reported, perpetrating various acts of cruelty and extortion on the inhabitants of that town, and has, by posting his horsemen on the hills around Chiah Sourkh (where he is located), endeavoured to cut off Mr. Soane's food and other supplies with a view to compelling him to retire from the company's property.

This is a position which calls for some immediate and determined action on the part of the Persian Government, and my board would be much obliged for any help which His Majesty's Government can give in the matter.

When in Tehran I suggested to Sir George Barclay that a possible solution of the difficulty might be to appoint Mr. Soane as British consular agent (without pay) at Kasr-i-Shirin, should such a course be practicable and Mr. Soane be acceptable to His Majesty's Government in that capacity, because Kerim Khan would, I thought (judging from the conversations I had with him at Chiah Sourkh), not venture to put any

obstacles in the way of an individual holding a recognised official position under the British Government. Mr. Soane, I may mention, was quite confident that, fortified by this official position, he would have no difficulty in securing peaceable possession of the company's properties from Kerim Khan, with whom his open relations are quite friendly.

Apparently, however, Sir George does not consider this course advisable, at any rate not without providing the consular officer, whoever he might be, with a strong escort.

The only other course that appears to be open is to call upon the Persian Government to immediately take whatever steps may be necessary in order to compel Kerim Khan to allow us to resume possession of the wells and other property belonging to the company at Chiah Sourkh and to carry on our work there undisturbed, and to give them notice that pending these steps being taken they will be held responsible for the safety of Mr. Soane and of the company's property, and also for the value of any oil which in the meantime may be removed from the wells by Kerim Khan.

In view of the seriousness of the position, my board will be much obliged if Sir Edward Grey will cause a telegram to be sent to His Majesty's Minister at Tehran asking him to call upon the Persian Government to take immediate steps for the protection of the company's agent and property at Chiah Sourkh, either on the lines indicated above or in such other way as Sir George Barclay may consider most advisable.

I have, &c.

C. GREENWAY.

[19352]

No. 230.

Sir G. Barclay to Sir Edward Grey.—(Received May 20.)

(No. 181.)

(Telegraphic.) R.

Tehran, May 20, 1911.

MY immediately preceding telegram of 18th May.

Sardar Assad at last moment postponed his departure, and is still here.

[19410]

No. 230^a.

Sir G. Barclay to Sir Edward Grey.—(Received May 20.)

(No. 182.)

(Telegraphic.) P.

Tehran, May 20, 1911.

I HAVE the honour to report that the salaries for the three Swedish gendarmerie officers and for the two Frenchmen who are to be employed at the Ministries of the Interior and of Justice were voted by the Medjliss on the 18th May.

It has been made perfectly clear to the central Government by the French Government that the two Frenchmen whose engagement they had approved must not be attached to any Ministry, but must be employed as professors.

This restriction has not been made known to Medjliss. Evidently the Cabinet was afraid to divulge it.

[19351]

No. 231.

Sir G. Buchanan to Sir Edward Grey.—(Received May 21.)

(No. 114.)

(Telegraphic.) P.

St. Petersburg, May 21, 1911.

TOUR of Anglo-Russian Commission on Turco-Persian frontier. Please refer to your telegram No. 185 of the 18th instant.

M. Nératof maintains firmly that we cannot possibly consent to the above-mentioned tour being postponed or abandoned after having made to the Turkish Government a communication in the terms employed by us. The project is not inspired by any feeling of hostility towards Turkey, and should therefore, he thinks, set forth as proposed at the end of May. The Russian Ambassador at Constantinople will receive instructions to bring this decision to the knowledge of the Turkish Government.

As regards the facilities to be afforded to a Persian delegate by the Turkish authorities (to which reference was made in my telegram No. 109 of the 17th instant),

M. Nératof thinks it would be better not to apply for them to the Porte until the Persians have actually appointed a delegate, it being still uncertain if they are going to do so. The Persian Government should be informed, however, that the two Powers are ready to ask the Porte to grant their delegate a free passage, and that they are only waiting to learn if a delegate is appointed before acting accordingly.

[19470]

No. 232.

Sir G. Barclay to Sir Edward Grey.—(Received May 22.)

(No. 68.)

Sir,

Tehran, May 8, 1911.

WITH reference to my telegram No. 162, I learned last night by an urgent telegram from His Majesty's acting consul at Shiraz that Nasr-ed-Dowleh's steward had not been shot, but had escaped and taken refuge at the house of the Kawamis' head gardener, a Belgian subject, whom, at the request of the Belgian Minister, I had taken under British protection at the time of the arrest of the Kawamis.

Mr. Knox stated in his telegram that the steward was in imminent danger, which might react upon the Belgian subject, and he asked whether he might send his consular escort to bring in the steward to the consulate.

It did not seem to me right to run the risk of a conflict between the escort and the townspeople on behalf of a person not under British protection, and I replied that I could not authorise the course suggested, but, if the Belgian gardener applied for his protection, he might use his escort to conduct him to the consulate. I also instructed Mr. Knox to hold the Governor-General responsible for the safety of the Belgian subject.

In reply to a further enquiry from Mr. Knox whether he might give bast to the steward or to members of the Kawami family if they were in imminent danger and applied for asylum, I telegraphed to him that he should give bast to any Persian subject whom he considered in imminent danger for his life, and who actually reached the consulate, but that he must in no case use his escort to conduct anyone not under British protection to the consulate.

I have ventured to trouble you with the above in order that I may be informed for my future guidance whether my ruling as to the use to which a consular escort can be put in such cases meets with your approval.

I have, &c.

G. BARCLAY.

[19608]

No. 233.

Lord Grimthorpe to Mr. Mallet.—(Received May 22.)

Dear Mr. Mallet,

80, Portland Place, London, May 12, 1911.

I HAVE just returned from travelling abroad and find your letter of the 26th April, for which I am much obliged. I did not suppose that the rumours in question had emanated from the British Ambassador at St. Petersburg, as his attitude to Mr. Williams, though cautious, was friendly, and had Mr. Williams imagined that the damaging communications came through him, he would at once have spoken to him on the subject. He telegraphed to me to find out their source and origin if I could, and I, fearing that the Russian Foreign Office might have communicated with you, at once took the steps that appeared to be required in order to put myself right with you in this matter, which is unquestionably of some importance, as it may considerably affect the employment of British capital in Russia. Mr. Williams, having been able to satisfy the Russian Government on every point, left St. Petersburg with a written promise of excellent business on a very large scale—in fact so large that the extent of it mainly depends upon our capacity to deal with it. As we do not intend to take up any business that we are not able to carry through, we are now engaged in forming a million-pound syndicate among financiers of the highest standing. This of course cannot be done in a day, but I hope that Mr. Williams will soon be able to return to Russia with adequate financial support to enable him to enter into a definite agreement with the Government, by means of which a splendid and unique opening will be offered to British capital, so that the exploitation of Russia will no longer be left

entirely in the hands of the Germans, which the Russian Government apparently does not desire to see indefinitely continued.

I do not wish to trouble the Foreign Office, or to ask for any special support beyond what I believe they are always prepared to give to British enterprise conducted on sound lines, but I do wish to keep them informed of what is going on, and to ask you to convey my thanks to Sir Edward Grey for the interest he has taken in this matter.

Yours truly,

GRIMTHORPE.

[19356]

No. 234.

Sir G. Buchanan to Sir Edward Grey.—(Received May 22.)

(No. 134. Secret.)

Sir,

St. Petersburg, May 16, 1911.

IN accordance with the instructions conveyed to me in your despatch No. 129, Secret, of the 10th instant, I yesterday communicated to the Acting Minister for Foreign Affairs the conditions on which His Majesty's Government are willing to assent in principle to the proposed trans-Persian Railway, and to agree to the initiation of negotiations between its promoters in St. Petersburg and London. I at the same time handed to his Excellency a memorandum embodying these conditions.

In the course of our conversation I explained to M. Nératof that the first three conditions had been dictated by strategic considerations, and had been inserted in the interest of India. Were the projected railway to be constructed, India would, I said, have to sacrifice all the advantages of her present strategical isolation with but little prospect of gaining any solid commercial advantages in return, and it was therefore necessary for us to see that her interests were safeguarded. A railway, moreover, that ran along the southern frontier of Afghanistan might be unfavourably viewed by the Ameer, and might tend to arouse a feeling of suspicion and ill-will in His Majesty's mind. I at the same time pointed out that, while Russian trade would undoubtedly profit very considerably from the projected railway, British trade would gain nothing without the branch lines enumerated in my memorandum. In consenting in principle to its construction we were, I added, mainly actuated by the desire of collaborating with Russia towards the realisation of a scheme in which she took so much interest.

M. Nératof observed that he would have thought that, were the main line to be brought down to the coast at Bunder Abbas as we now suggested, the branch lines to which I had referred might be dispensed with, but that he quite understood our general attitude. We must not, however, imagine that because the Russian group represented by M. Khomiakoff and M. Zwegintzoff were actively pushing this railway scheme the Russian Government were definitely committed to it. All that they had done so far was to give their conditional assent to the formation of a "comité d'études," and he was himself rather sceptical as to whether this committee would ever get a return for the money which they proposed to expend on the preliminary investigation.

I remarked that, though I was also not very optimistic on this point, I personally thought that the construction of a trans-Persian Railway was a mere question of time, and that if this view was correct, it would be preferable to construct it as soon as possible under Anglo-Russian auspices so as to forestall the proposed Khanikin-Tehran line. His Excellency replied that he feared that this would be impossible, as the latter line would probably be commenced in some six years' time. The first problem that would have to be solved with regard to the trans-Persian Railway was the question of its alignment, and though this was a matter which would have to be carefully gone into by the "comité d'études," the final decision must of course rest with the two Governments. The first and most essential condition was that it should provide Persia with the most rapid means of communication with Europe, and that it should thus be able to compete successfully with the Bagdad Railway. That railway constituted the most direct route and it was, sooner or later, bound to be prolonged towards the Indian frontier via Khanikin and Ispahan, it was necessary that the alignment of the trans-Persian Railway should be made still more direct. On my remarking that we should have to bring pressure to bear at Tehran to prevent Germany obtaining a concession for a line from Khanikin to Ispahan through the neutral zone, M. Nératof replied that we were more likely to attain this object by convincing the Persian Government of the commercial

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advantages offered by the railway in which we were interested than by exercising political pleasure.

I gather from what M. Nératof subsequently told me that his Excellency is in favour of a line running along the eastern shore of the Black Sea from a point opposite Kertch, with which it could be connected by a tunnel, rather than of one from Baku to Enzeli. What, however, struck me most was his Excellency's lukewarmness with regard to the trans-Persian Railway scheme, as well as the conviction with which he spoke of the extension of the Bagdad Railway across the neutral zone as a factor with which we should have to reckon.

Since seeing M. Nératof I have communicated to M. Khomiakoff and M. Zwegintzoff, the principal promoters of the trans-Persian Railway scheme, the general views of His Majesty's Government with regard to that project. I told them that His Majesty's Government were prepared to consent to it in principle on certain conditions, of which the chief ones were that the line should join the Indian railway system at Kurrachee instead of at Nushki; that there should be a break of gauge at Bunder Abbas, or at whatever point it might enter the British sphere of influence; that, as the main line would confer but little benefit on British trade, certain branch lines should be constructed from the coast; and that in the British sphere the line should be a purely British project.

Both M. Khomiakoff and M. Zwegintzoff expressed themselves as quite satisfied, remarking that they personally saw no objections to any of the above-named conditions, though they could not answer for their Government.

On my asking them what view they took as to the alignment of the proposed railway, they both of them expressed a preference for the original idea of a line starting from Baku, as they considered that the line suggested by M. Nératof would be more difficult to construct. They also were strongly in favour of carrying the line from Tehran to Yezd via Kashan without passing by Ispahan, so as to leave a mountain range between it and that town, which is, in their opinion, within too easy reach of the Bagdad Railway. They both of them share M. Nératof's view that Germany will, sooner or later, attempt to procure an extension of that railway through the neutral zone, and consider that the surest way of rendering the realisation of such a project impossible, and of striking a death-blow at the Tehran-Khanikin line, is to commence the construction of the trans-Persian Railway with the least possible delay.

I have, &c.

GEORGE W. BUCHANAN.

[19396]

No. 235.

Sir G. Lowther to Sir Edward Grey.—(Received May 22.)

(No. 347.)

Sir,

Constantinople, May 17, 1911.

WITH reference to my telegram No. 115 of to-day's date, relative to the question of the Turco-Persian frontier, I have the honour to transmit to you herewith the text of the communication made yesterday by my Russian colleague and myself to the Turkish Government.

M. Tcharykow handed his version of the communication to the Minister for Foreign Affairs, but, as Rifaat Pasha was called away immediately after his interview with the Russian Ambassador, I was unable to see his Excellency, and I therefore made my communication to the Under-Secretary for Foreign Affairs, who promised to submit it at once to his chief.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 235.

Note communicated to the Sublime Porte by the British and Russian Ambassadors.

POUR faire suite à la communication que l'Ambassadeur de Russie [d'Angleterre] a eu l'honneur de faire au Ministère ottoman des Affaires Étrangères le 15 (28) mars dernier, l'Ambassadeur de Russie [d'Angleterre] a l'honneur d'informer son Excellence que l'agent qui sera chargé par le Gouvernement Impérial de Russie [de Sa Majesté britannique] d'entreprendre le voyage mentionné dans la communication précitée est

M. Minorsky, deuxième drogman de la Légation de Russie à Téhéran [Mr. Hammond Shipley, consul de Sa Majesté britannique à Tauris], lequel sera accompagné d'une escorte de vingt-cinq cosaques [six sowars] chargés de garder ses moyens de transport et matériaux de campement et de le défendre éventuellement contre des attaques quelconques de brigands.

Le but dudit voyage est de recueillir des informations complètes concernant l'état des choses existant dans les localités que l'agent susnommé aura à visiter. Dans ce but, en partant de Tauris, il se dirigera vers le district d'Ourmiah et visitera diverses localités de ce district, ainsi que d'autres parties de la frontière de la province d'Azerbaïdjan, et retournera ensuite à Tauris. Le voyage commencera vers le milieu du mois de mai courant (v.s.).

L'Ambassadeur de Russie [d'Angleterre] est chargé en même temps par son Gouvernement de prier son Excellence le Ministre ottoman des Affaires Étrangères de vouloir bien prendre les mesures nécessaires afin que les ordres les plus catégoriques soient envoyés aussitôt aux autorités ottomanes compétentes de n'élever aucune difficulté pour le passage de l'agent russe [anglais] susnommé, sans excepter le cas où il aurait à traverser temporairement le territoire ottoman.

Péra, le 16 mai, 1911.

[18427]

No. 236.

Sir Edward Grey to Sir G. Barclay.

(No. 162.)

(Telegraphic.) P.

Foreign Office, May 22, 1911.

HORMUZ oxide. Communication to Persian Government.

Please see your telegram No. 175 of the 15th May.

Losses sustained by Ellinger as agent of Muin-ut-Tujjar, in so far as the rest of the latter's concessions are concerned, had, I agree, better not be mentioned in the communication.

Your telegram No. 23 of the 25th January.

We may, I think, disregard objection raised by you, because His Majesty's Government themselves are less concerned by the question whether an English court would uphold Ellinger's and Weir's claim than anyone would be who was party to any suit which might be brought. His Majesty's Government need only satisfy themselves that the claim may with propriety form the subject of diplomatic action and that it is an equitable one.

As regards the possibility of Strick being induced to compromise with the two other firms, there is at present no possibility of this.

The amount of Ellinger's claim at the end of 1910 was 4,041l. 18s., and of Weir's, as reduced by Board of Trade, 26,053l. 12s. 10d., but their contract with the Muin lasts till the 31st March, 1912. The claims will therefore increase in amount with every shipment of oxide to anybody else until the contract expires, while it is only fair that the whole sum owed to them should bear 5 per cent. interest until it is cleared off. In your note to Persian Government you should call attention to this, and warn them that it will necessitate the presentation of supplementary claims by us. I approve the note in other respects.

The date in letter to Ellinger of the 7th March given as "1874" is a misprint. In the actual letter it was correct.

[19351]

No. 237.

Sir Edward Grey to Sir G. Barclay.

(No. 165.)

(Telegraphic.) P.

Foreign Office, May 22, 1911.

TURCO-PERSIAN Frontier Commission.

See telegram No. 114 of yesterday from Sir G. Buchanan.

You may act with your Russian colleague in informing Persian Government as suggested.

[19351]

No. 238.

Sir Edward Grey to Sir G. Lowther.

(No. 164.)

(Telegraphic.) R.

Foreign Office, May 22, 1911.

SIR G. BUCHANAN'S telegram No. 114 of 21st May: Turco-Persian frontier.

You may proceed accordingly, in concert with your Russian colleague.

(Repeated to St. Petersburg, No. 193, and Tehran, No. 164.)

[18976]

No. 239.

Sir Edward Grey to Sir G. Barclay.

(No. 166.)

(Telegraphic.) P.

Foreign Office, May 23, 1911.

RAILWAYS in Persia.

I approve language held by you to Persian Minister for Foreign Affairs as well as to Osborne (see your telegram No. 179 of the 18th March).

For the present we must let matters take their course.

You will have to stand aside, in order to avoid conflicting with undertaking to Persian Transport Company. As far as I understand it, the chances of a British group obtaining the concession will not be prejudiced by the non-intervention of His Majesty's Legation.

[18299]

No. 240.

Sir Edward Grey to Sir G. Buchanan.

(No. 195.)

(Telegraphic.) P.

Foreign Office, May 23, 1911.

IN discussing the Russo-German negotiations with Count Benckendorff to-day, I explained to his Excellency that it was originally understood that although Great Britain, France, and Russia were negotiating separately until all the three parties were satisfied, no final arrangement was to be concluded in regard to the Bagdad Railway. It had been contended by M. Sazonow that the arrangement concluded at Potsdam did not constitute a breach of this understanding on the grounds that the railway beyond Bagdad was not included in that arrangement. His Majesty's Government were much disappointed at the idea that this point should be allowed to disappear on which the Russian Minister for Foreign Affairs had laid so much stress.

I told Count Benckendorff that in my opinion the essential point was that Russia should not enter into any obligation to give her consent to the proposed increase in the Turkish customs duties, and if this were made absolutely clear and in such a way as to leave no possible room for dispute I should not insist upon the definition of the railway to a point which might lead to the rupture of the negotiations between the Russian and German Governments.

On this point, however, there should be no ambiguity between Germany and Russia, for if Germany were in a position to contend that Russia had deprived herself by the Potsdam agreement of the right to object to the increase in the Turkish customs, it would be fatal to the future co-operation of France, Russia, and Great Britain in this question.

[17592]

No. 241.

Foreign Office to India Office.

Sir,

Foreign Office, May 23, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 9th instant, relative to the effect which the formal proclamation of a British protectorate over Bahrein might be expected to produce at the present juncture on the negotiations impending with Turkey on the subject of the Bagdad Railway and on British relations with Persia.

The reasons for which Sir E. Grey would deprecate the modification of the *status*

quo which this step would involve are set forth in the letter of the 4th instant from this Office, and I am to point out that the recognition by the Turkish Government of the right of His Majesty's Government to protect Bahrein in the Ottoman Empire forms, as Viscount Morley is aware, one of the conditions on which it is proposed to insist in return for British participation in the construction of the maritime section of the Bagdad Railway.

This last consideration offers, in Sir E. Grey's opinion, a further motive for abstaining at this moment from a modification of the *status quo* which could not fail to re-act unfavourably on the negotiations in progress and he would accordingly prefer to postpone, till he has received the reply of the Turkish Government to Sir G. Lowther's demands, the decision as to what the next step in the matter should be (assuming, for the moment that the nature of that reply will be, as Lord Morley anticipates, such as to necessitate action of some kind).

In the meanwhile Sir G. Lowther will be instructed, in accordance with your suggestion, to press the Turkish Government for their answer.

Sir E. Grey does not share the view expressed in your letter that the question of the enforcement of the right of His Majesty's Government to protect Bahrein in Turkey is one which should be regarded from the point of view of its effect on British relations with Germany rather than with Turkey, because he is unable to perceive what justification the former Power could allege for interesting itself in a matter which does not appear to concern it at all and it would further, in his opinion, be injudicious to admit in any way the validity of such a claim.

Sir E. Grey notes Lord Morley's opinion that the only prospect of a satisfactory solution of the Bagdad Railway question lies in a preliminary agreement with Germany.

As regards this point I am to observe that His Majesty's Government are not at present discussing the Bagdad Railway with Germany, but have before them certain proposals from the Turkish Government in regard to the Gulf section. It is clear that it is necessary to deal with the Turkish proposals in the first instance before initiating any discussions with Germany; otherwise there would be two sets of negotiations proceeding concurrently which would probably lead to confusion. Sir E. Grey considers that as soon as His Majesty's Government are in a position definitely to formulate to the Turkish Government their requirements in connection with their participation in the last section of the Bagdad Railway, it would be well to inform the German Government that these requirements must be met before any agreement can be reached on the subject and to express to them the hope that they will use their influence at Constantinople to secure a satisfactory reply to these demands.

I am, &c.

LOUIS MALLET.

[18427]

No. 242.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, May 23, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letters of the 31st March, the 28th ultimo, and the 11th instant, relative to the question of the concession for the shipment of red oxide from Hormuz and to that of your position as agents of Muin-ut-Tujjar.

I am to inform you in reply that Sir E. Grey has addressed a telegram to His Majesty's Minister at Tehran instructing him to present to the Persian Government a claim on your behalf and on that of Messrs. Andrew Weir and Co. for losses suffered by both firms in this connection.

Sir G. Barclay is to inform the Persian Government that at the end of last year Messrs. Weir's claim amounted to 26,053*l.* 12*s.* 10*d.* (that being the sum fixed as equitable as the result of conferences between representatives of your firm and of the Board of Trade) and your own to 4,041*l.* 18*s.*, but he is to point out at the same time that the contract between the two firms and Muin will not expire till the 31st March, 1912, so that till that date is reached the amount of both claims must increase with every shipment of red oxide made from Hormuz by the agency of any other person or firm. He is further to point out that the whole amount of the claim must, in justice, bear interest at the rate of 5 per cent. per annum, which Sir E. Grey understands to be the rate agreed on between your firm and the Board of Trade. Sir G. Barclay is accordingly to warn the Persian Government that His Majesty's Government will be

[1798]

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obliged subsequently to present supplementary claims on your and Messrs. Weir's behalf.

I am to add that it appears from a telegram received from Sir G. Barclay that the information which reached you to the effect that Muin had produced and circulated among the members of the Medjliss his original firman is incorrect, all the proofs adduced by Muin being contained in a pamphlet, copy of which, as Sir E. Grey understands, is already in the possession of your firm.

I am, &c.
LOUIS MALLET.

[18427]

No. 243.

Foreign Office to Messrs. F. C. Strick and Co.

Gentlemen,

Foreign Office, May 23, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 12th instant relative to the question of the shipment of red oxide from Hormuz, and to express to you his thanks for the information contained in the copy, enclosed therein, of a communication from your agent at Tehran.

I am to inform you that Sir E. Grey has addressed a telegram to His Majesty's Minister at Tehran instructing him to present to the Persian Government, on behalf of Messrs. Andrew Weir and Co. and Ellinger and Co., a claim for the loss incurred by those two firms in consequence of the breach of their contract with Muin-ut-Tujjar through the action of the Persian Government. Sir G. Barclay is to add an intimation that it will become necessary for His Majesty's Government to present supplementary claims in the event of these firms suffering further losses under the same head as well as on account of interest on the whole amount of the claim.

I am, &c.
LOUIS MALLET.

[15143]

No. 244.

Note communicated to Mr. Huth Jackson.

(Confidential.)

ON the 10th May Sir Edward Grey addressed to Sir G. Buchanan a despatch informing him of the terms on which His Majesty's Government are prepared to agree in principle to the initiation of negotiations between the promoters of the proposed trans-Persian Railway in this country and in Russia.

These terms include (1) a modification of the alignment for the railway originally suggested by the Russian group interested; (2) provision for a break of gauge at the point where the railway will enter the British sphere of influence in Persia; (3) an understanding on the part of the Russian Government that they will not, without a previous understanding with His Majesty's Government, entertain or support any proposal for a line in the neighbourhood of the Perso-Afghan frontier within the Russian or neutral sphere in Persia; (4) the support of Russia to demands to be made by Great Britain of the Persian Government for certain branch lines to be connected with the proposed railway in the British and neutral spheres; (5) the internationalisation of the main line and of the branches in the neutral sphere and the retention by Great Britain of the control of those in the British sphere; and (6) equality of treatment for British and British Indian trade passing over the line and its branches.

Sir G. Buchanan was authorised to inform the Russian Government of these conditions and to convey their general sense to the Russian promoters of the scheme, making it, however, clear to both that His Majesty's Government express no opinion as to the financial or commercial aspects of the question, which are matters to be examined by the syndicates who may desire to participate in the enterprise.

Foreign Office, May 23, 1911.

A. NICOLSON.

[19978]

No. 245.

Sir G. Buchanan to Sir Edward Grey.—(Received May 24.)

(No. 115.)

(Telegraphic.) P.

St. Petersburg, May 24, 1911.

RUSSO-GERMAN negotiations.

(Secret.)

Please see your telegram No. 195 of yesterday.

As Russian Ambassador in London had not yet reported your conversation with him, I repeated to Acting Minister for Foreign Affairs to-day what you had said to his Excellency.

While not committing himself one way or the other, M. Nératof admitted the strength of your arguments in favour of the retention of the term—Konieh-Bagdad Railway. As regards the 4 per cent. customs increase, his Excellency assured me that you need be under no apprehension on the subject. Full liberty of action on this point has been reserved by the Russian Government, and the first article of the agreement states that no pecuniary or economic sacrifice is to be required of Russia. This was inserted to make this point quite clear.

[19863]

No. 246.

Sir G. Barclay to Sir Edward Grey.—(Received May 24.)

(No. 183.)

(Telegraphic.) P.

Tehran, May 24, 1911.

SHIRAZ.

In reply to an enquiry from Mr. Knox as to what guarantees he would consider necessary before he would be willing to quit the consulate, Kawam-ul-Mulk has replied that so long as Nizam-es-Sultaneh and Soulet remain he could consider no security sufficient. He would not dare, he states, even in their absence, to undertake the journey to Bushire or Tehran by the main road, but, if accompanied by the sowars of the consulate escort he would agree to go to Tehran by a detour.

With regard to his estates, he desired either that they should be purchased by the State or that they should be properly cared for.

Kawam also stated to acting consul that if I was unable soon to conclude some arrangement with the central Government he would be willing to leave the consulate secretly, and to endeavour to join the Arabs who owe him allegiance.

In reply, I have instructed Mr. Knox to inform the Kawam that I cannot be responsible for his property.

In present circumstances there appears to me no means whereby we could reasonably ensure the safe departure of the Kawam except by sending him to the coast under British escort, but I would deprecate this course very strongly, as it is impossible to exclude the possibility of an attack on the escort *en route*. Kawam-ul-Mulk would not be safeguarded against the Nizam and Soulet by any guarantees that the Persian Government could give, and guarantees from Governor-General and the Kashgai chieftain would be liable to be violated, which would be very awkward.

For the present we must therefore, I fear, keep Kawam at the consulate, and await events. Nasr-ul-Mulk, whom I saw yesterday, concurs in this view. The situation may possibly become less difficult after Soulet-ed-Dowleh has resumed his summer migration.

In the event of Kawam desiring to leave the consulate secretly, I presume that we could not force him to remain. Grave disorder would, however, be likely to ensue if he succeeded in joining his Arabs.

[19976]

No. 247.

Sir G. Barclay to Sir Edward Grey.—(Received May 24.)

(No. 184.)

(Telegraphic.) P.

Tehran, May 24, 1911.

REFERENCE to your telegram No. 162 dated the 22nd May.

In presenting claim to Persian Government, I presume that it should be tabulated to conform with statement (B) in Board of Trade's letter under date of the 14th March.

The observation that there falls to be deducted from the amount claimed on behalf of Messrs. Weir the price secured for the oxide, &c., should, I also suppose, be included.

I would, however, point out that the terms of my previous note are vitiated by the fact that the second and more important item of Messrs. Ellinger's claim, to wit, "damages arising from loss of agency," is not due to the breach of the contract under consideration. We must therefore fall back on other grounds than those put forward in the note if we are to present a claim for this larger item, and I consider that it would be better to embody it in a separate note. In these circumstances, I presume arguments contained in Ellinger's letter of the 29th September, 1910, paragraph 4, section 3, should be used. They appear to me, however, to be very weak, for there is apparently no reason to show why the Muin-ut-Tujjar might not himself have taken his agency out of Ellinger's hand and given it to someone else at any moment without incurring any legal liability to Ellinger on this score.

In connection with the supplementary claim of which you speak in your above-mentioned telegram, it is not quite clear to me how Messrs. Weir's interests can be damaged by every fresh shipment of oxide, since they have already formulated a claim for the value of the oxide in hand and of the oxide as yet undelivered calculated on the basis of the monopoly they enjoy.

[19982]

No. 248.

Sir G. Barclay to Sir Edward Grey.—(Received May 24.)

(No. 185.)

(Telegraphic.) P.

RAILWAYS.

Tehran, May 24, 1911.

M. Poklewski has been asked by Colonel Beddoes whether his Government would raise objections to an application on behalf of Messrs. Seligman for an option for a railway from Mohammerah to Julfa for a term of two or three years.

During this period Seligman would endeavour to form a syndicate in which Great Britain, France, and Russia would be interested, or any other form of syndicate which the two Powers might consider desirable.

Colonel Beddoes states that his firm would undertake to abide by the wishes of the two Governments with regard to the conditions of construction and exploitation of the line.

M. Poklewski is reporting above to St. Petersburg.

[19001]

No. 249.

Sir Edward Grey to Sir G. Buchanan.

(No. 200.)

(Telegraphic.) P.

INDO-EUROPEAN Telegraph Company.

See your despatch No. 133 of the 24th May.

Foreign Office, May 24, 1911.

I approve fact that company should make such proposals to Russian Government, but cannot approve proposals themselves until I have seen them. I understand that company's representative wishes to tell Russian Government that proposals have my approval.

[18932]

No. 250.

Sir Edward Grey to Sir G. Barclay.

(No. 167.)

(Telegraphic.) P.

Foreign Office, May 24, 1911.

FURTHER complaint of insecurity on southern Persian roads has been received from Manchester firms, who state that the condition of the roads, instead of improving, has deteriorated to a state hitherto unequalled. Please telegraph whether their statements are accurate.

If they are accurate, report whether you consider that we may now regard the

measures undertaken by the Persian Government as having received fair trial and as being a definite failure, and whether we may not now insist on our own scheme as the sole means of saving British trade and restoring order.

Arguments of interested firms in favour of this course cannot easily be combatted longer.

[20103]

No. 251.

Sir G. Barclay to Sir Edward Grey.—(Received May 25.)

(No. 186.)

(Telegraphic.) P.

OXIDE.

Tehran, May 25, 1911.

Please refer to my telegram No. 184 of the 24th May, paragraph 2, final sentence.

I have the honour to add that Muin invited Strick—an invitation which Strick refused—to become his agent in August last at a time when the former had a dispute with Ellinger.

I would submit that this seems to indicate that Muin's employment of Ellinger could have been terminated at will of former.

[19863]

No. 252.

Sir Edward Grey to Sir G. Barclay.

(No. 168.)

(Telegraphic.) P.

KAWAMI.

Foreign Office, May 25, 1911.

I approve your action as reported in your telegram No. 183 of yesterday, and agree to course proposed by you.

It is out of the question that we should connive at Kawami's secret departure to join the Arabs, but we cannot prevent him leaving the consulate if he wishes to do so.

[20251]

No. 253.

India Office to Foreign Office.—(Received May 26.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 4th May, 1911, relative to wireless telegraphy stations in the Persian Gulf

India Office, May 25, 1911.

Enclosure 1 in No. 253.

Commander-in-Chief, East Indies, to Government of India.

(Secret.)

Sir,

*Commander-in-Chief's Office, Bombay,
March 18, 1911.*

WITH reference to my letter dated the 4th ultimo, relative to the proposed establishment of wireless telegraphy stations in the Persian Gulf, be pleased to acquaint his Excellency the Viceroy and Governor-General of India in Council that if, as is understood, it is the intention of the Government of India to erect a permanent station at Karrachee, it will be desirable to transfer the installation now at Jask to Hanjam, together with the staff employed there.

2. At present His Majesty's ships at Bushire are frequently unable to communicate with Jask, but if the proposed transfer of the Jask station to Hanjam be carried

[1798]

2 O

out, the Bushire installation, when completed, will be in continuous touch with Hanjam, and through Hanjam with Karrachee. It may be added that this transfer will save the cost of the 100-mile station, suggested in paragraph 3 of my letter quoted, for erection at Hanjam.

I have, &c.

EDMOND J. W. SLADE, *Rear-Admiral*.

Enclosure 2 in No. 253.

Government of India to Commander-in-Chief, East Indies.

Sir,

Simla, April 19, 1911.

WITH reference to your Excellency's letter dated the 18th March, 1911, I am directed to say that the question of the transfer to Hanjam of the wireless station at Jask will be considered with the general question of the establishment of wireless stations in the Gulf.

2. I am to add that detailed estimates are now under preparation for wireless stations at Bombay, Karrachee, Lahore, and Nagpore, but no provision for expenditure has been made in the budget estimates for 1911-12, and it is unlikely that the station at Karrachee will be started upon before 1912-13.

I have, &c.

M. H. S. GROVER, *Major-General*,
Secretary to the Government of India.

[20300]

No. 254.

Sir G. Barclay to Sir Edward Grey.—(Received May 26.)

(No. 187.)

(Telegraphic.) R.

Tehran, May 26, 1911.

MY telegram No. 177 of 15th May.

I have now received Kingston's report on robbery. A legation bag which he was taking to Ispahan was opened and rifled, and Kingston was subjected to indignity and ill-treatment. Failing recovery of stolen articles and punishment of culprits, I would propose, with your approval, to claim, in addition to value of stolen articles, 100*l.* as compensation for violation of legation seal and for ill-treatment of a British subject.

[20345]

No. 255.

Sir G. Barclay to Sir Edward Grey.—(Received May 26.)

(No. 188.)

(Telegraphic.) P.

Tehran, May 26, 1911.

TURCO-PERSIAN frontier.

M. Poklewski informs me that Turkish Minister for Foreign Affairs has informed His Majesty's Ambassador at Constantinople that Porte will not allow Persian delegate to enter Turkish territory during forthcoming tour of inspection.

Russian Minister and I are of opinion that, if this decision is final, we should advise the Persian Government to abstain from nominating a representative.

It would be a slight to Persia if Persian delegate were prevented from entering Persian territory and his British and Russian colleagues continued the journey without him. On the other hand, the usefulness of the tour would be curtailed if British and Russian delegates themselves turned back on account of the stoppage of their Persian colleague.

[20346]

No. 256.

Sir G. Barclay to Sir Edward Grey.—(Received May 27.)

(No. 189.)

(Telegraphic.) R.

Tehran, May 27, 1911.

MY telegram No. 183 of 24th May, penultimate paragraph.

Soulet left neighbourhood of Shiraz yesterday for his summer quarters.

[20300]

No. 257.

Sir Edward Grey to Sir G. Barclay.

(No. 169.)

(Telegraphic.) R.

Foreign Office, May 27, 1911.

YOUR telegram No. 187 of 26th May: Robbery from Mr. Kingston.

I approve.

We assume the 100*l.* will be paid to Mr. Kingston.

[20347]

No. 258.

Sir G. Barclay to Sir Edward Grey.—(Received May 28.)

(No. 190.)

(Telegraphic.) P.

Tehran, May 28, 1911.

SOUTHERN roads.

IN reply to your telegram No. 167, dated the 24th May, I have the honour to report on the condition of the southern roads:—

(a.) The safety of the Kerman-Bunder Abbas road is doubtful, but caravans are passing.

(b.) Comparative safety reigns on the Kerman-Yezd road. Caravans are passing.

(c.) Bakhtiari predict raids by the Kuhgilui on Ispahan-Ahwaz road, which is however at present safe. Bakhtiari are no longer in control of Kuhgilui (please see my telegram No. 141 of the 27th April), and disorders will probably occur on the road, as, notwithstanding representations of the central Government, Nizam-es-Sultaneh refuses to appoint someone friendly to the Bakhtiari to the governorship of Behbahan, which carries with it the control of the Kuhgilui.

(d.) Great insecurity prevails south of Kashan on the Kum-Ispahan road. Since January last four British subjects have been robbed.

(e.) On the Bushire-Ispahan road—and I presume that complaints of Manchester firms refer particularly to this route—His Majesty's consular officers at Bushire and Shiraz report considerable improvement since last year. I can only suppose therefore that firms in question must be under a misapprehension. No robbery has been reported on the Bushire-Shiraz section for a considerable time. No robbery occasioning the loss of British goods has taken place since December last. This year the telegraph line was not damaged as is usual during the tribal migration which has taken place. I understand, however, that the scarcity of transport is causing merchants to complain, and that, in consequence, the number of caravans passing is small. The Kuhgilui have been raiding a good deal recently on the Shiraz-Ispahan section near Kumisbeh, but no robbery of British property has occurred since the 1st April, and goods are at present passing fairly freely along the road.

In view of the fact that this improvement does not arise from any increased authority of the central Government, and must be largely dependent on the good-will of Soulet-ed-Dowleh, we must, I think, consider the chance of its continuance as very precarious. The moment to insist on our scheme, however, has certainly not come. I should be extremely reluctant to recommend pressing for our scheme even if matters were considerably worse than they are. Persian Government's position is already none too stable, and it would be greatly embarrassed were we to confront it with this demand. Furthermore, it appears to me very unlikely that any useful result would be obtained by our insistence unless His Majesty's Government are ready to take the steps necessary to compel the Persian Government to accept and carry out their scheme. Such a course would probably involve temporary occupation of the road.

I am of course unable to judge at what moment His Majesty's Government may deem themselves obliged, in view of the complaints of the Manchester firms, to face the unpleasant possibilities exposed above. I would, nevertheless, venture to submit that in the latest published customs statistics, viz., those for the ten months ending the 21st January, an increase of 12 per cent. is shown in the southern receipts over those of the previous year; the falling-off at Bushire being more than counterbalanced by the increase in the receipts at Bunder Abbas and Mohammerah.

Receipts at latter port are exclusive of imports of Anglo-Persian Oil Company, which are exempt from customs taxes.

[20372]

No. 259.

Sir G. Lowther to Sir Edward Grey.—(Received May 29.)

(No. 364.)

Sir,

Constantinople, May 24, 1911.

WITH reference to your telegram No. 164 of the 22nd instant, I have the honour to transmit a copy of the verbal communication made by the Russian Ambassador and myself to-day to Rifaat Pasha, intimating that the British and Russian delegates would proceed on their mission, and that our Governments had no objection to the replacing of the Cossacks and the sowars by a Turkish escort in the event of the delegates passing into Turkish territory. We, however, thought it advisable to add an intimation to the effect that the composition of the escort should not be judged to affect in any way the question of proprietorship of the places visited.

Rifaat Pasha renewed his regrets that the mission was being persisted in, and added that if a Persian delegate was to accompany ours it might have a bad effect on the tribes, and his Excellency even hinted that it would probably be found impossible for the Turkish Government to allow the Persian delegate to travel with the British and Russian in districts which were in dispute. To this I merely observed that we had last year invited the Turkish Government to send a delegate to join the party, which had been suggested in the most friendly spirit, but our proposal had met with no response, and I could not understand what objection there could be to the presence of the Persian delegate, should he accept the invitation. My Russian colleague tells me that Rifaat Pasha did not, in conversation with him, use this language about the Persian delegate. His Excellency remarked that the protocol for the settlement of this dispute had now arrived here, but the Persians had suggested some amendments. He hoped that this would give a good prospect of a satisfactory conclusion, but if it did not, the Turkish Government were quite prepared to allow it to be submitted to The Hague Tribunal. Under these circumstances, which offered every chance of a final solution of this question, he could not see what useful purpose would be gained by the proposed journey of our delegates.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 259.

Note verbale communicated to Sublime Porte.

EN se référant à la communication que l'Ambassadeur d'Angleterre a eu l'honneur de faire au Ministre ottoman des Affaires étrangères le 3 (16) courant concernant le voyage que Mr. Shipley va entreprendre, l'Ambassadeur d'Angleterre est chargé par son Gouvernement d'informer son Excellence que le Gouvernement anglais ne trouve pas d'objections à ce que l'escorte anglaise qui accompagnera l'agent sus-nommé soit remplacée par une escorte ottomane, dans le cas où il aurait à traverser temporairement le territoire ottoman.

La composition de l'escorte de Mr. Shipley ne préjugera d'aucune façon les droits de souveraineté de la Perse et de la Turquie sur les localités à visiter.

Le 24 mai, 1911.

[20707]

No. 260.

Anglo-Persian Oil Company to Foreign Office.—(Received May 29.)

*Winchester House, Old Broad Street, London,
May 26, 1911.*

Sir,

REFERRING to my letter of the 19th instant, I beg to give below copy of a telegram which I have just received from our agent at Kasr-i-Shirin, Mr. E. B. Soane:—

"Kerim Khan violently preventing our people from selling produce (of wells). The Persian Government is openly defied by him; therefore I have no support. I am maintaining firm attitude. I may be able to make temporary arrangements. Until Kerim Khan removed I can sell little oil in Kasr-i-Shirin district. His object is to eject us and regain possession of oil and salt."

The reference to salt is explained by the fact that the crude petroleum from wells at Chiah Soukh contains a proportion of brine, which is evaporated, and the salt produced sold as well as the oil.

As the position that our agent is in is a serious one, I shall be glad if Sir Edward Grey can see his way to taking early action in the matter.

I have, &c.

C. GREENWAY.

[20345]

No. 261.

Sir Edward Grey to Sir G. Buchanan.

(No. 222.)

(Telegraphic.) P.

Foreign Office, May 29, 1911.

TURCO-PERSIAN frontier.

Please see Tehran telegram No. 188 of the 26th May.

Count Benckendorff says that it would seem fair that no Turkish delegate should go to the disputed territory if the Persian delegate does not go. He has asked my opinion. My view is that it would be best, under the circumstances, to advise the Persian Government as suggested by Sir G. Barclay and M. Poklewski and for the Russian and British Ambassadors at Constantinople to make it clear to Rifaat Pasha that a Turkish delegate cannot come when a Persian delegate is not allowed. At present the Turks show no sign of wishing to send a delegate, but if they show any disposition to do so this should be explained.

[19608]

No. 262.

Foreign Office to Lord Grimthorpe.

Dear Lord Grimthorpe,

Foreign Office, May 29, 1911.

I BEG to acknowledge the receipt of your letter of the 12th May, explaining the situation with regard the negotiations between the Russian Government and a British group, carried on through Mr. Williams, with a view to railway construction in Northern Persia.

Sir Edward Grey is much obliged to you for your full statement respecting the progress of the affair.

Yours sincerely,

LOUIS MALLET.

[19172]

No. 263.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, May 30, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 18th instant relative to objectionable articles which have recently appeared

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2 P

in a newspaper published at Bussorah, in one of which a serious charge is made against one of your company's employes at Abadan.

I am to inform you, in reply, that no communication has yet been received from His Majesty's Ambassador at Constantinople concerning these articles, and that a copy of your letter has accordingly been forwarded to his Excellency, with the request that he will furnish a report on the subject.

I am, &c.
LOUIS MALLET.

[21098]

No. 264.

Sir G. Buchanan to Sir Edward Grey.—(Received May 31.)

(No. 120.)

(Telegraphic.) R.

St. Petersburg, May 31, 1911.

ACTING Minister for Foreign Affairs concurs in views expressed your telegram No. 222 of 29th May respecting Persian and Turkish delegates.

[20707]

No. 265.

Sir Edward Grey to Sir G. Barclay.

(No. 171.)

(Telegraphic.) P.

Foreign Office, May 31, 1911.

OIL.

Kerim Khan is using violence to prevent sale of oil. Could arrangements be made for Mr. McDouall to visit Kasr-i-Shirin and try to settle the matter with Kerim Khan?

[19470]

No. 266.

Foreign Office to India Office.

Sir,

Foreign Office, May 31, 1911.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran,* reporting instructions which he has sent to the British acting consul at Shiraz relative to the limits within which the protection of the escort attached to His Majesty's consulate should be afforded to Persian subjects and other persons not under British protection, and enquiring whether his ruling on the subject meets with the approval of His Majesty's Government.

I am to state that the instructions issued by Sir G. Barclay on the occasion in question appear to Sir E. Grey to be correct and in accordance with precedent, and that he would accordingly propose to approve them, subject to the concurrence of the Earl of Crewe.

I am, &c.
LOUIS MALLET.

[17870]

No. 267.

Foreign Office to Persian Transport Company.

(Confidential.)

Sir,

Foreign Office, May 31, 1911.

WITH further reference to your letter of the 10th instant, I am directed by Secretary Sir Edward Grey to inform you that the Persian Government have expressed a preference for direct negotiation with a British syndicate on the subject of railway construction in Persia generally, with special reference to a line from Khor Musa northwards.

* No. 232.

I am accordingly to state that, in these circumstances, His Majesty's Government have decided to abstain from all intervention in the matter, and that it is open to British capitalists to approach the Persian Government with proposals of the nature in question.

I am, &c.
LOUIS MALLET.

[21244]

No. 268.

Mr. Huth Jackson to Sir A. Nicolson.—(Received June 1.)

*Le Maison du Diable, Aix-les-Bains,
May 31, 1911.*

Dear Sir Arthur Nicolson,

YOUR letter of the 23rd instant, marked "Secret," has been forwarded to me here, and I am much obliged to you for the information you give me, which I will of course treat as most confidential.

I presume that it will not be thought discourteous by M. Timiriazeff and his colleague that they do not get any acknowledgment or reply from me to the two letters they have addressed me, which letters are in your possession. They will, I take it, understand that the communication they will doubtless receive from the Russian Government, on the strength of the information given by Sir George Buchanan, is a reply to their letters to me.

I should prefer that this should be so, as I do not wish them to think that I, or my firm, are prepared to take an interest in the finance of this scheme. I think I have already told you that this would be entirely out of my line, though I am, of course, always at your disposal to investigate and give my opinion on any proposal that may be put forward, if you should wish me to do so.

Yours sincerely,
FRED HUTH JACKSON.

[21252]

No. 269.

Board of Trade to Foreign Office.—(Received June 1.)

Sir,

Board of Trade, May 31, 1911.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 10th May, transmitting copy of correspondence on the subject of a proposal by Mr. H. G. Chick for a British concession for a motor-road from Bushire to Shiraz, and to offer the following observations thereon for the consideration of Sir E. Grey:—

From the confidential report of Mr. H. W. Maclean in 1904, copy of which was sent to you in their letter of the 21st October, 1904, the Board observe that the Bushire-Shiraz road was then described as being not only in need of policing, but also in an extremely bad state from the point of view of construction. The Board have no reason to suppose that the character of the road has improved in this latter respect; it has more probably continued to depreciate.

The Board understand from other correspondence with your department that His Majesty's Government are proposing to put forward suggestions for certain railway concessions in Southern Persia, which would have the effect, *inter alia*, of connecting Bushire and Shiraz. A railway between those two places would undoubtedly be of much advantage to British trade, though, in the absence of information as to topographical conditions and the resultant cost of construction, the Board are unable to express any opinion as to its commercial success. It is, however, apparent that, should there be any real probability of such a proposal being carried out, the scheme for a motor-road would lose much of its interest. The decision in this matter therefore appears to depend upon the extent to which His Majesty's Government are prepared to press strongly the railway project, but in any event it would probably be advantageous if the survey recommended by Mr. Chick could be made at an early date.

I am to add that the Board will be glad to be informed of the views of the Indian Government when these are received.

I am, &c.
GEO. J. STANLEY.

[21098]

No. 270.

Sir Edward Grey to Sir G. Lowther.

(No. 193.)

(Telegraphic.) R.

Foreign Office, June 1, 1911.

SIR G. BUCHANAN'S telegram No. 120 of 31st May: Turco-Persian frontier.

If Turkish Government express intention to send delegate you should act as proposed in my telegram No. 222 to Sir G. Buchanan in concert with your Russian colleague.

(Repeated to St. Petersburg, No. 228, and Tehran, No. 175.)

[21098]

No. 271.

Sir Edward Grey to Sir G. Barclay.

(No. 174.)

(Telegraphic.) R.

Foreign Office, June 1, 1911.

SIR G. BUCHANAN'S telegram No. 120 of 31st May: Turco-Persian frontier.

You may act accordingly in concert with your Russian colleague.

(Repeated to St. Petersburg, No. 227, and Constantinople, No. 192.)

[21366]

No. 272.

Imperial Bank of Persia to Foreign Office.—(Received June 2.)

Sir,

25, Abchurch Lane, London, June 1, 1911.

PERSIAN Government 5 per cent. loan for 1,250,000*l.*

I have the honour to transmit herewith, for the information of the Secretary of State for Foreign Affairs, a copy of the contract between the Persian Government and the Bank for the above loan signed in Tehran on the 8th May, 1911, and with reference to your communication of the 11th November, 1910, would solicit the favour of your forwarding me the letter therein referred to (draft of which, as arranged yesterday, I enclose) for insertion in the prospectus of the loan, which will be issued shortly on the London market.

I further enclose the latest draft of the prospectus for your information, and I return the draft handed to Sir Thomas Jackson yesterday.

I have, &c.

G. NEWELL,

Manager.

Enclosure 1 in No. 272.

Contract between the Persian Government and the Imperial Bank of Persia.

THIS contract, made the 8th day of May, 1911, between the Imperial Government of Persia of the one part, and the Imperial Bank of Persia (hereinafter called "the Bank") of the other part.

Whereas the Imperial Government of Persia is desirous of issuing in London a loan to the amount of 1,250,000*l.*, and the Bank has agreed to take the said loan firm at the price of 87*l.* 10*s.* net per 100*l.*

Now these presents witness and declare that it is agreed between the Imperial Government of Persia and the Bank as follows:—

1. The Bank shall take the said loan firm at the rate of 87*l.* 10*s.* net for every 100*l.* of the said loan.

2. The Imperial Government of Persia shall issue in London 12,500 bonds of 100*l.* each, such bonds to carry interest at the rate of 5 per cent. per annum, and to be framed in the usual form of Government bonds. The loan to be redeemable at par by means of a cumulative sinking fund of $\frac{1}{2}$ per cent. per annum, commencing in 1916 and extending over a period not exceeding fifty years. The drawings will take place in London in April in each year, and the drawn bonds will be paid off at par on the 15th May following, after which date the interest on the bonds so drawn will cease.

3. The Imperial Government of Persia shall duly observe and perform all the

provisions contained in the said bonds as to payment of the loan and interest thereon, and otherwise.

4. The Persian Government has the right to redeem the loan at any time after the year 1916 on giving six months' notice.

5. The Imperial Government of Persia specially assigns to the service of the loan, and as a first charge thereon, subject only to prior charges amounting to 15,714*l.* 1*s.* 10*d.* per annum for three years, and 30,278*l.* 12*s.* 7*d.* per annum from the year 1913 to the year 1928, the full net customs receipts of every description which the Government now is, or at any time hereafter may be, entitled to collect and receive at all ports or places in the Persian Gulf, including Bushire, Bunder Abbas, Lingah, Mohammerah, and Ahwaz, which receipts are hereby made payable to the Bank, and the Imperial Government of Persia hereby engages forthwith after receipt thereof to pay to the Bank all such customs receipts as aforesaid without deduction other than for actual expenses of administration of the customs of the said ports disbursed prior to the date of such payment.

(a.) The Imperial Government of Persia undertakes that throughout the continuance of the loan all sums collected by the Customs administration shall be paid to the Bank at the ports of collection, or at its nearest branch, week by week for meeting the prior charges referred to above and for the service of the loan, and an account of such receipts shall be submitted to the Persian Government by the Bank at the end of each month.

(b.) The Bank shall, out of the monies so collected, pay the prior charges above-mentioned and the interest and sinking fund of the loan, and shall hold the surplus at the disposal of the Imperial Government of Persia.

(c.) The Bank undertakes, out of the monies so received, to pay on behalf of the Imperial Government of Persia the half-yearly coupon in London, and supervise the working of the sinking fund and service of the loan free of charges connected with the same.

(d.) In the event of the customs receipts of the above-mentioned ports for any three months falling short of the amount required for the prior charges and the service of the loan, either for interest or amortisation, the Imperial Government of Persia binds itself to make good such deficiency from other sources of Government revenue, and further, should receipts from these sources fall below the amount required as above, the Persian Government hereby assigns for this purpose the revenue derived from the receipts of the telegraphs—this assignment to constitute a second charge on the said telegraph receipts up to the year 1928, after which the telegraph receipts will be free.

6. Out of the proceeds of the loan the Bank is authorised by the Imperial Government of Persia to pay off the outstanding liabilities of the Imperial Government to the Bank, and hold the remainder at the disposal of the Government within three months after the signing of the contract.

7. During the continuance of the loan, or for such less period as the Bank shall desire, the Bank shall be the sole agent and representative of the Government of Persia in England with respect to the said loan and all matters connected therewith, but undertakes no pecuniary liability whatsoever towards the bondholders.

8. The bonds of the present loan are for ever exempt from all or any Persian tax or deduction. The interest and capital, therefore, will not at any time or under any circumstances be liable to any reduction whatever on the part of the Persian Government.

(Done in duplicate.)

For the Imperial Bank of Persia,

A. O. WOOD,

Chief Manager.

(Seal in Persian writing.)

Tehran, May 8, 1911.

Registered in His Britannic Majesty's Consulate-General.

N. PATRICK COWAN,

*Acting Vice-Consul.**Tehran, May 15, 1911.*

(Stamps.)

NOTE.—The Persian writing on English original is—

For the Government of Persia,

ISMAIL MOMTAZ-ED-DOWLEH,

Minister of Finance.

The seal is—

(Ismail Momtaz-ed-Dowleh.)

[1798]

2 Q

Enclosure 2 in No. 272.

Draft of letter to Imperial Bank of Persia.

Sir, Foreign Office, June 2, 1911.
I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 25th May, enclosing copy of a contract entered into between the Persian Government and the Imperial Bank of Persia for the issue of a loan of 1,250,000*l.*, bearing 5 per cent. interest and redeemable at par by the means of a cumulative sinking fund of $\frac{1}{2}$ per cent., commencing in 1916 and extending over a fixed period not exceeding fifty years.

I am to state that His Majesty's Government have taken cognisance of the arrangements contained in the contract, and have given directions that in case of necessity the Imperial Bank of Persia will receive from His Majesty's Legation such diplomatic support as can properly be given to assist them in the discharge of their duties as specified in the contract, and that the charge on the customs revenues specially assigned to the loan has been noted by His Majesty's Government.

It must be clearly understood that His Majesty's Government do not undertake any pecuniary liability.

[21430] No. 273.*Sir G. Barclay to Sir Edward Grey.—(Received June 2.)*

(No. 191.)
(Telegraphic.) P. Tehran, June 2, 1911.
OXIDE.

Please refer to my telegram No. 186 of the 25th May.

Mr. Brown has been informed by Strick, London, that I have presented claim on behalf of Weir and Ellinger to the Persian Government. He has been asked to report on Strick's position in view of this development.

In reply, agent has stated that claim has not yet been presented, and he has added the recommendation that Strick should approach the Foreign Office in order that Board of Trade may be moved to arbitrate between the British firms interested.

[21436] No. 274.*Sir G. Barclay to Sir Edward Grey.—(Received June 2.)*

(No. 192.)
(Telegraphic.) R. Tehran, June 2, 1911.
RUSSIAN Minister tells me that Shahsevans are again in revolt.

Governor of Ardebil recently collected a force to disarm them, but was defeated and fled to Ahar, against which town Shahsevans are said to be advancing.

[19976] No. 275.*Foreign Office to Board of Trade.*

Sir, Foreign Office, June 2, 1911.
WITH reference to your letter of the 4th April and previous correspondence relative to the shipment of red oxide from the island of Hormuz, I am directed by Secretary Sir Edward Grey to transmit to you herewith copies of further letters from Messrs. Ellinger and Co. in support of the attitude which they have assumed on this question,* the first of which, dated the 31st March, is a reply to the communication addressed to them on the 7th March (see the letter from this Office of the 22nd March). In connection with the second letter, dated the 28th April, I am also to refer to your letter of the 26th April on the same subject.

On receipt of this second letter, Sir E. Grey, feeling that a further effort should be made to reach a solution of this question, addressed a telegram to His Majesty's Minister at Tehran, copy of which, with subsequent telegraphic correspondence, is

* Nos. 2 and 116.

likewise enclosed,* briefly explaining the situation and enquiring whether he saw any objection to making a further representation to the Persian Government on the subject.

It will be seen that Sir G. Barclay's reply raises certain points of importance in connection with the proposed representation, which are dealt with in Sir E. Grey's succeeding telegram.

Sir E. Grey has not yet answered Sir G. Barclay's last two messages, and I am to transmit to you herewith the draft of a telegram which, subject to any modifications which the Board of Trade may have to suggest, he would propose despatch in reply to them.†

I am to add that Messrs. Ellinger have been informed of the substance of Sir E. Grey's telegram No. 162 of the 22nd ultimo to Sir G. Barclay, and that Mr. Martin Ellinger, of that firm, has since called at this Office to ask that no communication should actually be made to the Persian Government till a further letter which the firm are about to address to this department has been received and considered.

Messrs. Frank C. Strick and Co. have also received a brief intimation of the nature of the instructions given to Sir G. Barclay.

I am, &c.
LOUIS MALLET.

[21595] No. 276.*Messrs Ellinger and Co. to Foreign Office.—(Received June 3.)*

Sir, 28, Oxford Street, Manchester, June 2, 1911.
WE are in receipt of your letter of the 23rd ultimo relative to the question of the concession for shipment of red oxide from Hormuz.

We note that Sir Edward Grey has addressed a telegram to His Majesty's Minister at Tehran, instructing him to present to the Persian Government a claim on our behalf and on that of Messrs. Andrew Weir and Co. for losses suffered by both firms in this connection.

Mr. M. Ellinger has since had the pleasure of a conversation on this subject with Mr. Norman, and, as desired by the latter, we will shortly put our views before you in writing. We understand that, in the meantime, Sir George Barclay will not actually present the claim.

With reference to the concluding paragraph of your letter, in which you tell us that it appears from a telegram received from Sir George Barclay that the information which reached us to the effect that the Muin-ut-Tujjar had produced and circulated amongst the members of the Medjliss his original firman is incorrect, all the proofs produced by the Muin-ut-Tujjar being contained in a pamphlet, a copy of which, as Sir E. Grey understands, is already in our possession, we send you enclosed translation of a report in one of the Persian newspapers of the 5th November, 1910, of a debate in the Medjliss,‡ from which it would appear that Muin-ut-Tujjar was directed to attend a sitting of the committee of the Medjliss and to bring with him all documents relating to his claim, and that at several sittings these documents were produced and read, and included the original firman in question. The report further states that the committee confirmed the original concession.

In the pamphlet to which Sir George Barclay makes reference is a statement, on p. 48, signed by the Muin-ut-Tujjar, to the following effect:—

"The originals of the firmans published in this brochure are temporarily lent to the Medjliss. Any deputy who desires to see them can do so."

You will notice that the report on the discussion in the Medjliss is dated November and that the pamphlet was published before your letter of the 7th March of this year, in which you write us as follows:—

"Sir Edward Grey concurred in this proposal, and Sir George Barclay made application, but was informed, in reply, that the Persian Government were not in possession of copies of the original lease and firmans, and we are doubtful whether the Muin-ut-Tujjar can produce them, as he has not hitherto done so. It was in the

* Nos. 175, 207, 236, 247, and 251.

† Draft of telegram to Sir G. Barclay.

‡ Not printed.

absence of these documents that the firman of 1904 was granted in confirmation the Muin-ut-Tujjar's lease.

"The present situation, therefore, is that, while the Persian Government are not in a position to prove their contention, the Muin-ut-Tujjar is equally unable to offer evidence in support of his case. It cannot be supposed that he would neglect to take a step so beneficial to his interests if it were in his power to do so.

"He has, however, it appears, published a pamphlet in support of his case, in which he states that the original lease given to Hajji Jafer Alawi (Malek-ut-Tujjar), and from whose heirs it was transferred to himself, was dated 1894, and was for ten years."

We have repeatedly pointed out to Mr. Norman that we had always heard that, after the dispute as to the ownership of the concession between the Muin-ut-Tujjar and Messrs. Malcolm, and after judgment had been given in favour of the Muin-ut-Tujjar, the firman had been endorsed by the British Legation at Tehran, and that for this reason we should expect a copy of the firman to be in the archives of the British Legation at Tehran, which we are given to understand is not the case.

You will find that reference is made to this in the report of the proceedings of the Medjliss committee, wherein the firmans submitted to the committee are enumerated, on one of which—the Royal firman dated 1897—there is said to be a marginal note signed by the English Minister, declaring that the concession belongs to the Muin-ut-Tujjar.

We also enclose translation of the Muin-ut-Tujjar's pamphlet.*

We are, &c.

ELLINGER AND CO.

[21430]

No. 277.

Sir Edward Grey to Sir G. Barclay.

(No. 176.)

(Telegraphic.) P.

Foreign Office, June 3, 1911.

HORMUZ oxide. See your telegram No. 191 of yesterday.

Strick has not approached us, otherwise arbitration would be best method of solution.

Without informing Strick's agent you should delay presentation of claim, unless you have already taken action.

[21366]

No. 278.

Foreign Office to Imperial Bank of Persia.

Sir,

Foreign Office, June 3, 1911.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 1st instant, enclosing copy of a contract entered into between the Persian Government and the Imperial Bank of Persia for the issue of a loan of 1,250,000*l.*, bearing 5 per cent. interest, and redeemable at par by the means of a cumulative sinking fund of $\frac{1}{2}$ per cent., commencing in 1916 and extending over a fixed period not exceeding fifty years.

I am to state that His Majesty's Government have taken cognisance of the arrangements contained in the contract, and have given directions that, in case of necessity, the Imperial Bank of Persia will receive from His Majesty's Legation at Tehran such diplomatic support as can properly be given to assist them in the discharge of their duties as specified in the contract, and that the charge on the customs revenues specially assigned to the loan has been noted by His Majesty's Government.

It must be clearly understood that His Majesty's Government do not undertake any pecuniary liability.

I am, &c.

LOUIS MALLET.

* Not printed.

[21665]

No. 279.

Sir G. Barclay to Sir Edward Grey.—(Received June 4.)

(No. 1193.)

(Telegraphic.) P.

Tehran, June 4, 1911.

OIL company and Kerim Khan.

In reply to your telegram No. 171, dated the 31st May, I have the honour to report that Mr. McDouall foresees no difficulty to prevent him from proceeding to Kasr Shirin. He is, however, of opinion that his visit would be useless, as Daoud Khan, the leader of the Kalhers, is supporting Kerim Khan.

Subject to your approval, I would nevertheless propose to instruct Mr. McDouall to start for Kasr and use every endeavour to assist the representative of the oil company. Representations in Tehran would probably be useless, as Daoud Khan is entirely out of control. Pending further particulars, I am at any rate unable to deal with the matter here.

[21666]

No. 280.

Sir G. Barclay to Sir Edward Grey.—(Received June 4.)

(No. 194.)

(Telegraphic.) P.

Tehran, June 4, 1911.

HORMUZ oxide.

In reply to your telegram No. 176 of the 3rd June, I have the honour to report that I have been awaiting your reply to my telegram No. 184 of the 24th May. In the meanwhile, I have deferred presentation of claim.

I would, however, point out that when Mr. Brown gave me the information embodied in my telegram No. 191 of the 2nd June, he was already aware that I had not presented claim. In these circumstances, it would be difficult for me to conceal from him, without prevarication, that the claim has not yet been presented. He could, moreover, easily obtain from Persian Government information which he required.

[21667]

No. 281.

Sir G. Barclay to Sir Edward Grey.—(Received June 5.)

(No. 195.)

(Telegraphic.) P.

Tehran, June 5, 1911.

PLEASE refer to my telegram No. 192 of the 2nd June.

Situation in Azerbaijan is, Mr. Shipley reports, giving rise to some anxiety. In addition to the defeat of the Governor of Ardebil (please see my telegram above-mentioned), a section of the Karadaghis have inflicted a severe check on an expedition sent against them by the Governor of Ahar. Mukhber-es-Sultaneh is, it appears, unable to send reinforcements against these tribesmen.

Following is concluding sentence of telegram from His Majesty's consul at Tabreez:—

"I am not alone in deeming it fortunate, in view of the disquiet prevailing at Tabreez at the present moment regarding the situation at Ardebil, that the Russian troops are still here."

[21716]

No. 282.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 69.)

Sir,

Tehran, May 15, 1911.

WITH reference to your telegram No. 128 of the 3rd instant, I have the honour to report that on the 6th instant my Russian colleague and I communicated verbally to the Minister for Foreign Affairs the itinerary fixed for the joint commission on the western frontier of Azerbaijan. We informed his Excellency that Mr. Shipley, His Majesty's consul at Tabreez, and M. Minorski, 2nd dragoman at the Russian Legation, had been selected as the British and Russian delegates, and that the commission would start at the end of this month. We also took the opportunity of repeating to his

[1798]

2 R

Excellency our invitation to appoint a Persian delegate to participate. Although his Excellency was aware that the Turkish Government had returned no reply to the similar invitation addressed to them by His Majesty's Government and the Russian Government, he seemed no less favourable to Persian participation than on the occasion reported in my telegram No. 98 of the 29th March last. He asked us to address to him a written communication respecting the commission, and I enclose a copy of an identic note which my Russian colleague and I addressed to his Excellency in response to his request.

It will be noticed that the note does not contain the itinerary of the joint commission. This was omitted in consequence of your telegram No. 149 of the 7th instant to Sir G. Buchanan, but having now received authority to supply the omission we have to-day communicated the itinerary in writing to the Minister for Foreign Affairs, asking him at the same time to treat it as strictly confidential.

I take this opportunity of forwarding a copy of the instructions which I have sent to His Majesty's consul at Tabreez, the British delegate on the joint commission.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 282.

Sir G. Barclay to the Persian Government.

M. le Ministre,

Tehran, May 9, 1911.

WITH reference to recent pourparlers between your Excellency, the Russian Minister, and me, I have the honour to inform your Excellency that Mr. Shipley, His Majesty's consul at Tabreez, has been designated as British delegate to investigate the situation on the western frontier districts of Azerbaijan, and I understand that the Russian delegate will be M. Minorski, 2nd dragoman of the Russian Legation.

The British and Russian delegates will start at the end of this month. Should the Persian Government, in response to the invitation which the British and Russian Governments have tendered to them, decide to appoint a Persian delegate to accompany the British and Russian delegates I should be glad to learn the name of the officer selected, so that I can instruct Mr. Shipley to put himself in communication with him.

I avail, &c.

G. BARCLAY.

Enclosure 2 in No. 282.

Sir G. Barclay to Consul Shipley.

(No. 3.)

Sir,

Tehran, May 12, 1911.

IT having been decided by His Majesty's Government and the Russian Government to appoint delegates to examine jointly the situation in the western frontier districts of Azerbaijan, I have now to inform you that you have been designated British delegate for the purpose, and that your Russian colleague will be M. Minorski, who holds the post of 2nd dragoman at the Russian Legation in Tehran, but who is now in Russia.

As soon as M. Minorski reaches Tabreez you should concert with him with a view to your starting on your mission at the end of this month.

The itinerary for your journey which has been approved by the two Governments is as follows :—

Starting from Tabreez you will proceed to Dizahail, Khoi, Kotur, Dilman, Teharik, Somai, Baradost, and Urmia. From the last-mentioned town you will go to the districts of Tergaver, Desht, Mergaver, and to the town of Ushnu. Thence you will proceed by the pass of Kalishin to Djildian, and from there to Pasveh, Serdesht, and Banneh, returning to Urmia by Soujboulak, Nagadek, Solduz, and Jebel Kendeh. From Urmia you will return to Tabreez via Kustchi, by the road which runs along the lake.

While generally following this itinerary, you will select the most passable routes in and between the localities indicated.

The objects of your mission are to examine and report jointly with your Russian

colleague to the two legations as to how far the Turkish occupation extends, as to how far the occupied districts have been brought under Turkish administration, and as to the feeling of the local population towards the Turks; to collect information which may throw light on the ultimate object of the Turkish encroachments, and any data which may be useful in case the frontier dispute is submitted to arbitration, and more particularly to establish as far as possible what was the *de facto* frontier in 1905.

You will take with you such maps as may be necessary, but the secret map prepared in the War Office in 1907 should not be shown to your Russian colleague without further instructions.

You will be accompanied by your consular escort, but in case of open obstruction on the part of the Turkish authorities you should not proceed by force, but you should record the incident in a *procès-verbal*. Armed conflicts must be avoided at any price.

I should mention, in conclusion, that both the Sublime Porte and the Persian Government have been invited to appoint representatives to join the British and Russian delegates in their investigation, and it is possible that the latter Government may accept this invitation, in which case I shall inform you of the name of the Persian delegate, so that you can put yourself in communication with him.

I am, &c.

G. BARCLAY.

[21717]

No. 283.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 70.)

Sir,

Tehran, May 16, 1911.

THE arrest of the two Kawami brothers, Kawam-ul-Mulk and Nasr-ed-Dowleh, at Shiraz, though very salutary from the local standpoint, and though it has been followed by an improvement in the condition of the Bushire-Ispahan road, placed the central Government for a time in a position of great difficulty.

Removing as it did the chief counterpoise to Kashgai influence in Fars it was naturally in the highest degree displeasing to Serdar Assad. He had intended leaving for Europe in a day or two, and it was very unfortunate that Nizam-es-Sultaneh did not postpone his *coup* until one who was sure to resent it, and could make his resentment felt, was out of the way. On hearing of the arrest Serdar Assad put off his departure and adopted such a menacing attitude that the Cabinet, while expressly approving Nizam-es-Sultaneh's action, had not the courage to leave him a free hand to deal with his prisoners. Serdar Assad declared openly that unless the Kawamis were released he would throw in his lot with the Opposition and upset the Cabinet—a threat the possible import of which will be better realised if it is borne in mind that the Serdar Assad controls a force of close on 1,000 Bakhtiari in the capital. On the other hand, the disavowal of the Governor-General and the release of the Kawamis which Serdar Assad demanded, must have led to the resignation of the Nizam-es-Sultaneh, and then, as the Regent put it to me at the time, "anything might happen in Fars."

Nizam-es-Sultaneh wished to try the Kawamis in Shiraz, which would doubtless have resulted in their conviction, and as their crimes—their nature is not stated—were declared by Nizam-es-Sultaneh to be punishable with death it could hardly be doubted that the execution of the two prisoners would have followed. The insistence of Serdar Assad led the Government to prescribe a middle course and the Governor-General was ordered to deport the Kawamis without trial. At the Persian Government's urgent entreaty I instructed the acting consul to urge this mode of settlement upon the Governor-General, but for some days Nizam-es-Sultaneh refused to obey his instructions. The central Government was in a state of the greatest perplexity, and Nizam-es-Sultaneh's insubordination so worked upon the Prime Minister that he went on strike and left Tehran for his country-house in the neighbourhood. In a day or two, however, he thought better of it and returned to Tehran, where he went to the telegraph office and conversed with Nizam-es-Sultaneh, who finally agreed to deport his prisoners.

The attack of which the Kawamis were the object while on their way to Bushire and which resulted in the death of Nasr-ed-Dowleh was attended with circumstances which could leave little doubt as to the complicity of Nizam-es-Sultaneh, and Serdar

Assad on learning what had happened was more incensed than ever. In the circumstances the Government felt compelled to do its utmost to appease him. Sipahdar, the Prime Minister, declared that unless he had the co-operation of Serdar Assad, he would resign and leave Tehran. Mosteshar-ed-Dowleh, the Minister of the Interior, had just resigned owing to differences with the Prime Minister, and it was decided to offer his portfolio to Serdar Assad. It was obvious that this appointment would be most distasteful to Nizam-es-Sultaneh and to Sowlet-ed-Dowleh and might well force them into open revolt. The fear of mischief from the Bakhtiari must have been lively indeed to lead the Government to risk a conflagration in the south rather than leave Serdar Assad unappeased. Most fortunately at this juncture a strong opposition to the proposed appointment declared itself in the Medjliss. Serdar Assad asked my advice, but I declined to advise him, letting him, however, infer from my demeanour that I was against his accepting office. Whether he was influenced by the opposition of the Medjliss or whether some other means than giving him office were found for appeasing his wrath, he has now definitely declined the appointment. He has, moreover, promised the Cabinet his co-operation, though out of office. He even shows signs of willingness to resume responsibility for the safety of the Bakhtiari road, which in his indignation at the arrest of the Kawamis he had repudiated, in order, I believe, to force me to support his insistence against Nizam-es-Sultaneh. The recent rioting at Ispahan, which was believed by many to have been instigated by Bakhtiaris, has not been followed, as at one time was feared, by a Bakhtiari *coup de main* on that town. All this promises well for the situation in Tehran, and if only the Persian Government can be persuaded to keep Nizam-es-Sultaneh at Shiraz the outlook may brighten even in Fars.

I have throughout used my influence with the Persian Government to retain Nizam-es-Sultaneh and shall continue to do so, although, as will be noticed from the monthly summary, his attitude in regard to the asylum which His Majesty's consul was compelled to afford to Kawam-ul-Mulk has been anything but friendly.

I have, &c.
G. BARCLAY.

[21718]

No. 284.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 71.)

Sir,

Tehran, May 16, 1911.

WITH reference to my despatch No. 14 of the 26th January last, I have the honour to report that the Nizam-es-Sultaneh, when proceeding from Kermanshah to take up his appointment as Governor-General of Fars, stayed with the Sheikh of Mohammerah, who expressed a desire to purchase the lands of Husseinabad, or at all events a share in them. After much discussion the Nizam promised to do what he could to upset the lease at present held by Abbas Agha, with a view to effecting a sale to the sheikh.

Shortly afterwards Sheikh Khazal, while mentioning to His Majesty's consul his negotiations with the Nizam, which he desired should be kept secret, thanked His Majesty's Government for having so vigilantly guarded his interests by informing him of Abbas Agha's lease.

I now have the honour to enclose a despatch which has just reached me from His Majesty's consul at Ahwaz, and from which it would appear that the Nizam and the sheikh are both now prepared to help Abbas Agha in his scheme.

The Bin Muallah lands mentioned in the last paragraph of Mr. Ranking's despatch are referred to in M. Maximoff's letter to Messrs. Lynch of the 18th February, and in this connection I have the honour to refer to my telegram No. 109 of the 3rd April.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 284.

Lieutenant Ranking to Sir G. Barclay.

(No. 17.)

Sir,

Ahwaz, March 31, 1911.

IN continuation of my letter No. 16, dated the 30th March, 1911, I have the honour to forward herewith, for your Excellency's information, copy of a letter No. 53, dated the 31st March, 1911, addressed by me to the political resident in the Persian Gulf on the subject of a Russian concession holder for the Husseinabad lands.

I have, &c.
J. RANKING.

Enclosure 2 in No. 284.

Lieutenant Ranking to Lieutenant-Colonel Cox.

(No. 53.)

Sir,

Ahwaz, March 31, 1911.

IN continuation of my letter No. 52, dated the 30th March, 1911, I have the honour to inform you that, while making confidential enquiries as to the correctness or otherwise of my suspicion regarding Mirza Ali, I further elicited the following information:—

Firstly, my suspicion that Mirza Ali is the "agent in Husseinabad" is correct.

When the Nizam-es-Sultaneh passed through Mohammerah *en route* to Bushire Mirza Ali was with him, and is now returning to Ahwaz by the next trip of the steam-ship "Malamir," arriving probably to-morrow, the 1st April, *en route* to Husseinabad. While staying in Mohammerah he wrote to my informant, one Mirza Ibrahim, a subordinate in the customs-house in Ahwaz, who is a relative of his, to the effect that he, Mirza Ali, was coming by the steam-ship "Malamir," and to arrange for him, &c. He further said that he had an order from the Nizam-es-Sultaneh to Sheikh Hyder of the El Kathir, and also one to the same person from Sheikh Khazal, to give all necessary assistance.

The Nizam-es-Sultaneh has also told Mirza Ali that should extra labour or protection be required by the concessionnaire to at once let him know, and he will send as many families of Tangistanis and Dashtis as may be required from his own estates in those places.

My informant further tells me that "a certain person, by name Abbas Agha Kavkazi," is expected to arrive shortly to commence operations; from which statement I judge that he is correctly informed, and that the information which he is giving me contains some truth in it, as it fits in with information which we are already in possession of.

He tells me that he is informed that the lease was first granted for eighteen years, but on the concessionnaire representing that the period was too short, it was increased by six years, making a total of twenty-four years. He also tells me that "two Russians" have started from Tehran *en route* to Husseinabad, where the concessionnaire intends gradually to build houses and a fort, and that there is some probability also of his leasing a house in Dizful, possibly that of Seyyid Jawad.

In connection with the two Russians who are said to have started, two men arrived in Ahwaz via the Lynch road on foot, with only such kit as they could carry themselves, on the 28th instant. They gave out that they are Levantines, doctors who are working their way to Bussorah, whence they propose to go to Bombay, where they have relations.

In reality I learn, from a person whom I deputed to shadow them, that they are Caucasians, and apparently stone masons by trade.

In the above connection I would recall a similar person with a similar story, who passed through Ahwaz in May 1910, reported in paragraph 2, p. 3, confidential diary No. 13 of 1910.

Lastly, my informant tells me that, while the Nizam-es-Sultaneh was in Mohammerah the sheikh promised to eject Sheikh Hyder at the very first opportunity, and to do all he could to help Mirza Ali, and so indirectly the concessionnaire. I learn from another source that Sheikh Hyder and Sheikh Mackenzie-ibn-Mushattat are shortly expected in Ahwaz *en route* to visit the Sheikh of Mohammerah in Idresiya, where he arrived on the 27th instant.

[1798]

The Bin Muallah lands mentioned in my No. 52, dated the 30th March, 1911, I am told, contains some 700 khesh of land, watered by the Kerkha River, and are divided into six "dungs" or portions, owned as follows:—

- 1 dung, Nizam-es-Sultaneh.
- 1 dung, Ali Mardan Khan-i-Fehli.
- 2 dungs, Seyyid Ahmed.
- 2 dungs, Bakhtiaris.

I have, &c.
J. RANKING.

[21720]

No. 285.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 73.)

Sir,

Tehran, May 16, 1911.

WITH reference to my telegrams Nos. 127, 142, and 152 of the 17th and 28th April and the 3rd May respectively, as to the proceedings in the Medjliss in regard to the proposed issue by the Persian Government of a loan of 1,250,000l. on the London market, through the agency of the Imperial Bank of Persia, I have the honour to transmit herewith (Enclosure 1) a copy of the contract signed on the 8th instant by the Minister of Finance and the chief manager of the Imperial Bank.

The project, which had been put before the Medjliss by Mustaufi-ul-Mamalek's Cabinet at the end of last year, was referred to the Finance Committee of the House, and came up for discussion at a public sitting on the 22nd April, when Momtaz-ed-Dowleh, the Finance Minister of Sipahdar's Cabinet, was in charge of it.

The late Sani-ed-Dowleh, who was Finance Minister in the former Cabinet, had drawn up a list of expenditure and a scheme of control for the proper handling of the money. I enclose a translation of this document (Enclosure 2) which is interesting, as, though slightly modified by the Finance Committee of the Medjliss, it shows that the necessity for control by European officials is thoroughly appreciated, and that a serious attempt was contemplated to prevent speculation and waste.

At the sitting of the 22nd April, the scheme of expenditure and control was brought up first. The list of expenditure had been modified by the present Cabinet in accordance with altered conditions since its preparation by Sani-ed-Dowleh (see Enclosure 3). At its first reading the Opposition, who showed from the outset that they intended to resist the measure with all their power, elicited the fact that the present Government had already purchased a quantity of rifles and ammunition from the Russian Army Head-quarters at Tiflis without submitting to any sort of control, and that part of the money for which a vote was asked in article 4 (Enclosure 3) was to cover this item. The criticism of the Opposition on this score was so embarrassing to the Government that the Ministers, finding themselves hard pressed, brought the sitting to an end by stating that they were invited out to dinner.

The debate was resumed on the 25th April, when it was agreed to replace the project of expenditure and control by the Loan Bill itself, and to append a clause to the effect that if the loan were sanctioned its proceeds should be locked up at the Imperial Bank till the plan of expenditure and control passed through the House.

The Loan Bill was accordingly read a first time on the 27th April, and a second time on the 2nd May, and was strenuously opposed by the Democrats, whose principal spokesman was Wahid-ul-Mulk (formerly "Times" correspondent at Tehran). The criticisms directed against the measure by this gentleman were of a root-and-branch order, but his eloquence and persistency were of no avail against the weight of the combined supporters of the Government when a show of hands was called for by the President.

The Bill was eventually passed by the majority on the 2nd May, and the contract was signed six days later.

The position therefore now is as follows:—

As far as the Persian Government is concerned, the amount realised by the issue of the loan is not available until the Medjliss has approved the Government's proposals as to expenditure and control.

The agreement entered into between the bank and the Persian Government on the 26th May, 1910 (see Mr. Marling's despatch No. 92 of the 8th June, 1910), by which the Government's debts to the bank were consolidated and interest thereon fixed at 7 per cent., is terminated by virtue of article 6 of the new agreement, and the bank

will be paid off without waiting for further sanction by the Medjliss. This comes to a reduction of interest from 7 to 5 per cent. on 32,374,216.80 krans (or, say, 610,800l. at 53 krans per £), the figure at which the amalgamation of last year will stand on the 20th May, 1911.

It will be remembered that, at the urgent request of the Persian Government, the Imperial Bank made further advances to the Government during the last few months in anticipation of the sterling loan. These amount, with interest up to the 20th May, to 3,439,666.65 krans (or, at 53 krans per £, to, say, 64,900l.), which will also be paid off without further reference to the Medjliss.

The net produce of the sterling loan being 1,093,750l., from which the bank will deduct about 675,700l., the balance available to the Persian Government will be about 418,000l.

I may also add that the Persian Government's long outstanding liability in London, on account of a lottery concession granted in 1889 by the late Nasr-ed-Din Shah, is taken over by the Imperial Bank, which, in taking over the loan at 87½, has left itself a margin for this purpose.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 285.

Loan Contract between the Persian Government and the Imperial Bank of Persia.

[Already printed.]

Enclosure 2 in No. 285.

Summary of Sani-ed-Dowleh's Scheme of Expenditure and Control of the Proposed Sterling Loan of 1,250,000l. to be raised in London by the Imperial Bank of Persia.

ARTICLE 1. The above loan of 1,250,000l. will be devoted to the following, under the control inspection of the committee of control mentioned below (article 2):—

(a.) 3,396,697 tomans to meet the accounts now due to the Imperial Bank of Persia.

(b.) 1,562,800 tomans credit for the expenditure on 15,628 men under arms (according to separate plan), who will garrison the following centres: Farsistan, Persian Gulf ports, Ardebil, Kara-Chadagh, Astrabad, Shadrud, Burujird, Luristan, and Arabistan.

(c.) 300,000 tomans credit to meet the first instalment of arms to be purchased in accordance with article 4 below.

(d.) The balance to be devoted to the establishment of gendarmerie by the European officers to be employed in accordance with article 5 below.

Art. 2. For controlling the exchange and the purchase of silver, the purchase of arms, and the payment of the instalments thereof, the controlling and inspecting of the expenditure set forth in article 1, a mixed committee of control, representing various branches of administration, composed of seven Europeans in the employment of the Government and seven Persian officials, will be formed under the presidency of the Finance Minister and the vice-presidency of the Belgian Director of the Customs.

Art. 3. The committee of control, as made out in article 2, will draw out in detail a plan for the army expenditure and the purchase of arms (article 1 (b) and (c)), which plan the Finance Minister will present for the approval of the House (article 4).

Art. 4. For the selection of arms and the amounts thereof, and the detailed arrangements for payment thereof, a committee composed of three European officers and three Persian officers will sit at the War Office and will prepare a scheme for presentation to the committee of control, to be ultimately put before the House.

300,000 tomans will be paid for the first instalment of the purchase, and other instalments will be fixed annually.

Art. 5. After the arrival of the gendarmerie officers, a committee will sit at the Home Office under their supervision to formulate a scheme for the reform of the gendarmerie, which will be presented through the committee of control for approval to the House. The money specified in article 1 (d) will defray the immediate needs of this scheme.

Enclosure 3 in No. 285.

Alterations proposed by the present Cabinet.

ARTICLE 1.—(a.) 3,396,697 tomans to be paid to the Imperial Bank of Persia to meet the amounts due to them.

(b.) 341,510 tomans to pay off the advances on the loan.

Art. 2. 500,000 tomans for the arrears of the army, gendarmerie, and police.

Art. 3. 100,000 tomans for the arrears of the Persian representatives abroad.

Art. 4. 220,000 tomans for the purchase of arms partly already purchased from the Caucasian Army Head-quarters.

Art. 5. 200,000 tomans for the gendarmerie.

Art. 6. 1,243,000 tomans for the army for the current year.

[21723]

No. 286.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 76.)

Sir,

Tehran, May 18, 1911.

WITH reference to my despatch No. 53 of the 16th ultimo respecting the measures taken by the Persian Government to restore order on the southern roads, I have the honour to report that the energetic action taken by the Nizam-es-Sultaneh in regard to the Kawamis, who were strongly suspected of having instigated some of the recent robberies in the neighbourhood of Shiraz, seems to have been followed by a tendency to a return of confidence and a revival of trade in that locality.

Mr. Acting Consul Knox reports under date of the 13th May that the Bushire-Sheraz road is at present very fairly safe, and that caravans are passing as freely as may be expected during the grazing season. One insignificant robbery had occurred near Kamarij and another near Dastarjin. The Khan of Kamarij, mentioned in my despatch above referred to, appears to have been eventually dispossessed by the Nizam, and to be threatening to rob, though he has not yet done so.

Colonel Cox also reports, with regard to the same road, that caravans were coming into Bushire without interruption, but that transfer is reported scarce and the rates high. Rahdari is being levied, but the local authorities are endeavouring to stop or reduce it.

As concerns the Shiraz-Ispahan route, no robberies have been reported lately, but traffic has been virtually at a standstill and the transport rates prohibitive. I learn, however, that one or two caravans have recently left Shiraz northwards. The Kuhgeluis have been raiding sheep and cattle near Kumisheh, and the Boir Ahmedis have made similar depredations in the neighbourhood of Yezdikhast.

The road between Tehran and Ispahan is unsafe, and the attack on Mr. Kingston, traveller for Messrs. Burroughs and Wellcome, the druggists, reported in my telegram No. 177, adds the fourth British victim to the culpable negligence of the local authorities to provide proper guards for the earlier stages out of Ispahan.

I have, &c.

G. BARCLAY.

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No. 287.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 77.)

Sir,

Tehran, May 18, 1911.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.

G. BARCLAY.

Enclosure in No. 287.

*Summary of Events for four weeks ending May 18, 1911.**Tehran.*

American Financial Officials.—Mr. W. Morgan Shuster, the Treasurer-General; Mr. Charles I. McCaskey, the inspector of provincial revenues; and Mr. Bruce G. Dickey, the inspector of taxation, arrived at Tehran on the 12th May from America. Mr. F. C. Cairns and Mr. R. W. Hills are still on the way.

The Cabinet.—Mustashar-ed-Dowleh, the Minister of the Interior, resigned office early in May, and Sardar Assad was offered the post, but refused to accept it. Mustashar-ed-Dowleh has since resumed office. Sipahdar threatened to resign the Premiership owing to the complications in Fars and for other reasons, but was induced to retain office.

The Imperial Bank Loan.—The project came before the Medjliss on the 22nd April and was hotly contested by the Opposition. The Loan Bill was passed by the majority supporting the Cabinet on the 2nd May, and the contract was signed on the 6th May. The matter forms the subject of a separate despatch.

Bye-Elections.—According to the Persian constitution, vacancies in the Medjliss are filled by a vote of the majority of the House itself. The leader of the Opposition pointed out that this system was unfair, as any party in the majority would increase that majority whenever the House elected members to fill vacancies. On the 2nd May, however, seven deputies were elected by the House.

The Valiahd.—On the 18th May His Majesty's Minister had an audience of the Shah and Regent to present His Majesty the King's letter respecting the designation of Mohammed Hassan Mirza, the Shah's younger brother, as heir-presumptive or valiahd.

The Medjliss.—Several sittings were devoted to the discussion of the loan project and the Government's scheme for expenditure and control. Most of the Cabinet Ministers were present during the debates on this subject and found the Democratic Opposition exceedingly embarrassing. The majority, however, loyally supported the Cabinet. At the sitting of the 27th April the Minister of Finance proposed that the first and second reading of the Loan Bill should be put through the same day, as the matter was urgent. There was some technical difficulty on the point, and when the President called for a show of hands it was apparent that the motion had been negatived. The matter, however, being quite trivial, no notice was taken of it, and the second reading was put off. The "Times" in its leading article of the 29th April wrote, on the strength of its Tehran correspondent's reports, that the Government had been defeated. Fortunately this was not the case.

G. P. CHURCHILL.

Tabreez.

Telegraphing on the 10th May, His Majesty's consul reported that Salar-ed-Dowleh, brother of the ex-Shah, had crossed the frontier and was stirring up the Kurds in Sulduz, declaring that the Turks had promised to assist him. His efforts had not so far met with much success. The Governor-General had written a friendly letter to him suggesting his coming to Tabreez, where he would help him in any claim he might have against the Government, and warning him of the danger to himself of his present proceedings. Mr. Shipley thinks the only way of preventing the Prince from continuing to create unrest is for the Persian Government to obtain the co-operation of the Turks to bring about his removal. A certain Aburezak Bey, for some time resident at Tiflis, who was implicated in the Redvan Pasha murder, has recently visited the Khan of Maku with a letter of recommendation from the Turkish Foreign Office. The object of his visit has not transpired. He is believed to have gone to Van on being told by the khan that the Persian authorities considered his presence undesirable.

Resht.

1. Zaffer-us-Sultaneh, Governor of Astarabad, with a force of 300 infantry and two guns, joined the loyal chiefs at Narinbagh in the middle of March and some desultory fighting took place. Meanwhile the Regent telegraphed to Zaffer-us-Sultaneh

[1798]

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to withdraw as the rebels had decided to submit. On the 26th March Amir-i-Mukarram and Ismail Khan submitted to Zaffer-us-Sultaneh at Sari, undertaking to pay the arrears of revenue. They were given charge of the province of Mazandaran, of which, however, Zaffer-us-Sultaneh has since been appointed governor.

2. The sale of land by the Russian commissioner at Gumbad-i-Kabus has caused much unfavourable comment. The Persian Government allowed the Russian commission to occupy free of rent what land they required for their men, but it was never anticipated that the Russians would take more land than they required and sell it to Persian subjects.

3. Ala-ul-Mulk has been appointed Governor of Ghilan. Some 200 horsemen arrived from Tehran in the middle of April, and proceeded to Talish to enforce the payment of taxes three years overdue. Disturbances ensued in which seven soldiers and seven villagers are reported to have been killed.

Meshed.

1. The levying of a tax on animals caused a riot on the 19th April, which was said to have been headed by Russian subjects. Three men, including a policeman, were killed, but order was restored, and the tax collected. The Governor-General is said to be useless, and a strong feeling is growing up against him. Naib Hussein was, towards the end of April, at Halwan, north-west of Tabbas. No action was being taken against him. His lieutenant, Mohammed Ali, had seized Amberan, north of Tabbas, and was storing supplies there. Two or three bands of robbers were reported to be in the Turbat district.

2. Prince Dabijah has returned from leave, and resumed his appointment as Russian consul-general.

Seistan.

1. The early floods in Seistan were, at the end of March, causing much anxiety. The Helmund had been in flood for over a month, and it was feared that when the regular spring floods added their volume to the existing rush of water serious damage to crops and buildings would result.

2. The state of Seistan and Kain in April was not satisfactory. Owing to the unfortunate family feud between Shaukat-ul-Mulk and Hashmat-ul-Mulk, the southern and western borders of the Kainathad been much disturbed and, although a temporary truce had been arranged, the mischief had been done, the raiders being emboldened by their immunity from punishment. On the north and east of the Kainat also highway robbery was rife. Nearly all the roads were unsafe, the one exception perhaps being the Kuh-i-Malik Siah-Seistan-Neh-Birjand road. A brisk trade was reported to be in progress between India and Russia by the Nushki route.

Birjand.

On the 6th April a large party of the Khusfis took refuge in His Majesty's vice-consulate during the temporary absence of Mr. Howson, who, on his return persuaded them to disperse. Their object was to protest against the weakness of Shaukat-ul-Mulk in dealing with the Baluch raiders, and but for Mr. Howson's timely arrival it seems certain that a serious disturbance would have occurred as the police had already fired on the Khusfis.

Ispahan.

1. A serious riot occurred on the 6th May, due ostensibly to the dearth of bread. The offices of the municipality were invaded by a mob of women, to whom the President gave an obscene answer. He was pursued through the streets by the crowd and killed and his body hung up in the main square. Later, several offices of the local administration were sacked and a number of prisoners released. When the crowd approached the tribunal the Governor-General ordered a volley to be fired, on which the crowd temporarily withdrew. Firing continued during the night. On the 7th the bazaars were closed, but bread was plentiful. The crowd attempted to wreck the new telephone office, but was deterred. Small bands of police and soldiers patrolled the streets. There was a panic in Julfa where some Parsees, accused of cornering grain, had taken refuge in the Jewish quarter. The bazaars remained closed until the 10th, since when quiet has prevailed. The movement appears to have been in reality reactionary, and engineered by the clergy.

2. On the 14th May, Sardar-i-Ashja'a, Bakhtiari, was appointed Governor-General. Pending his arrival from Tehran, Muin-i-Homayun was to officiate for him.

3. The condition of the roads was generally satisfactory during the latter half of April. Posts were arriving from Shiraz, but no caravans were using the road and the rate of mule hire was very high. On the 14th May, M. Kingston, of Messrs. Burroughs and Wellcome, was robbed and beaten at Khafr, some 50 miles south-east of Kashan, on his way to Ispahan.

4. M. Dolgopoulof, who has been appointed acting Russian consul-general, arrived on the 1st May from Tehran.

Yezd.

The governor continues on bad terms with the local Assembly, which consequently transacts but little business. The deputy governor's extortions have caused much feeling against him. The roads have all been passably safe, the only robbery reported being one on the Kerman road, near Shems, on the 11th April, when twenty-five camels and twenty-four loads were carried off by Tootakis and Chaharrahis. A force of road guards pursued the robbers and recovered twenty-three camels and thirteen loads.

Kerman.

1. The expeditionary force under the command of Sardar-i-Nusrat captured the fort of Bampur early in April. It was then awaiting reinforcement before marching against Fahraj fort, which was held by Sardar Bahram Khan.

2. The chief of police has been dismissed by the governor for forcibly removing from the governor's stables a fugitive from justice who had taken refuge there.

3. Colonel Haig left for Bunder Abbas on the 27th March.

Kermanshah.

1. One Yar Mohammed Khan, a somewhat prominent Nationalist, was in April sent under escort to Kermanshah by the central Government. At Dizabad he escaped, and rode into Kermanshah on the 11th. Next day he presented himself in the local Assembly, and declared his willingness to obey that body or the National Assembly. He explained that he had left Tehran at the personal request of the Regent, but, finding that he was being sent under a guard, he had escaped from it. The commander of the Cossacks came in and showed the President a telegram from Sipahdar ordering the arrest of Yar Mohammed, but was advised by the President not to attempt this as it would cause trouble. One of Yar Mohammed's friends then came in and announced that the Assembly had been surrounded by soldiers, but on Yar Mohammed firing a few shots from his revolver these bolted, and Yar Mohammed went home with a crowd of sympathisers. Mr. McDouall states that Yar Mohammed is popular and that his only enemy was Muin-ur-Raya, the leader of a faction, who kept a private guard of 100 armed men. Muin-ur-Raya was shot dead on leaving the bazaar on the 1st May. He had been arranging for the dispatch to Tehran of a telegram asking for the expulsion of Yar Mohammed from Kermanshah. The bazaars were closed, and though Yar Mohammed came up with a force and attempted to reassure the people, he was not successful. The actual assassin is not known. Quiet has since prevailed. Two well-known fomenters of disorders, Kalbi and Asker Selim, who were sent to Tehran by Nizam-es-Sultaneh, have been released and are returning to Kermanshah. Their arrival is likely to lead to trouble. Samsam-es-Sultaneh, Bakhtiari, has been appointed governor in place of Rukn-ed-Dowleh.

2. The combination of Guran tribesmen with the enemies of Daoud Khan, Kalhur, had by the end of April made some progress, but the parties cannot join forces without crossing Kalhur territory. Daoud Khan is said to be in communication with the Turkish authorities, probably with a view to preventing the Turkish Jaf joining his enemies.

Hamadan.

The condition of affairs was not, in April, satisfactory. Abbas Khan, Chenari, had quarrelled with the Khans of Shahrabi, and the Assadabad district was consequently disturbed.

Shiraz.

Immediately after his arrival at Shiraz on the 6th April, Nizam-es-Sultaneh issued orders for a general disarmament of the townspeople and forbade any one to appear in the streets after 9 P.M. Both these orders were rigorously enforced by the Governor-General's own men, Kurds and Lurs from Kermanshah. On the 15th April, the Governor-General arrested Kawam-ul-Mulk and his brother Nasr-ed-Dowleh, the ostensible reason being the failure of the latter, who commanded the forces at Shiraz, to capture some brigands in pursuit of whom he had been sent. The young son of Kawam-ul-Mulk applied at His Majesty's consulate for bast, but not being apparently in imminent danger he was not admitted. His Majesty's acting consul reported a day or two later that Nizam-es-Sultaneh's action had made an excellent impression and that the affairs of Fars seemed to be taking for the moment at least a happier complexion. On the 18th April a crowd collected to demand of the governor the summary execution of the two prisoners. Nizam-es-Sultaneh promised that they should be tried in a day or two and said that their crimes were punishable with death. The trial did not take place as the Persian Government on the insistence of Sardar Assad refused to sanction it and ordered Nizam-es-Sultaneh to deport the Kawam. At first the idea was to send them to Tehran or some outlying Persian province, but finding Nizam-es-Sultaneh obstinately opposed to this course, the Persian Government sent him orders to send them to Europe. His Majesty's acting-consul, under instructions from His Majesty's Legation, urged Nizam-es-Sultaneh to fall in with this arrangement. At first he stoutly refused, maintaining that the Kawamis would lose no time in returning to Persia, but finally he gave way and the Kawamis left Shiraz for Bushire accompanied by a guard of 150 men supplied by Nizam-es-Sultaneh. Thirty miles out they fell into an ambush at a spot near which Soulet-ed-Dowleh was encamped with a large force. Nasr-ed-Dowleh was shot; Kawam-ul-Mulk escaped, but was not heard of for thirty-six hours, when he applied to His Majesty's consulate for bast, which, as he was in imminent danger, was given him. He is still at the consulate and it is to be feared that there will be some difficulty in getting him away from Shiraz safely. Meanwhile, Nizam-es-Sultaneh, of whose complicity in the treacherous attack on the Kawamis there would seem to be little doubt, has been urging public manifestations against the asylum afforded to the Kawam-ul-Mulk, and he urges that he should be sent off from Shiraz without delay, to which His Majesty's acting consul has replied that so long as Nizam-es-Sultaneh cannot put an end to the agitation against the consulate it is clearly impossible to regard any guarantee from him as sufficient to warrant Kawam-ul-Mulk's leaving. The acting consul, at the urgent request of Soulet-ed-Dowleh, visited the latter on the 13th May when, after some conversation about the recent incident, Soulet-ed-Dowleh descanted on his entire devotion to His Majesty's Government and on his disinterested services in the cause of order on the Bushire road. Mr. Knox replied that His Majesty's Government appreciated his successful efforts to maintain order on the southern road and to assure the safety of the telegraph line during the migration of the tribes and expressed the hope that he would continue so to act. Soulet-ed-Dowleh declared his readiness and ability to maintain order in Fars, or even in the whole of Southern Persia, but said he would not serve under Sardar Assad.

PERSIAN GULF.

Bushire.

1. The British force which has been operating against the Afghan gun-runners in Mekran returned to Galag from Bint and re-embarked on the 21st April. Saïd Khan and Islam Khan joined the column during its advance, which seems to have produced a good effect. The Afghans withdrew, and no arms or ammunition were found. On the 25th April the force disembarked at Sirik to operate against Mir Barkat, who had been raiding the Biaban district and endeavouring to make it a centre for the importation of arms. Mir Barkat was found occupying the Poshaak defile near Gwaj with 260 Baluchis and Bashkordis. The enemy was driven from his position on the 28th April after a smart engagement in which the enemy had twelve casualties, the British force having three men dangerously wounded. The force returned to Gwaj on the 29th April.

2. A disturbance occurred at Bushire on the 3rd April in which four persons were killed and one wounded. On hearing that the gunners, many of whom were petty traders themselves, were trying to induce the tradespeople to close their shops as a

protest against the proposed taxes, the deputy governor, accompanied by the deputy head of the police, came to the bazaar and remonstrated with the malcontents. In the altercation which ensued the deputy head of police was insulted by a gunner, whereupon he took out his revolver and fired, killing the gunner on the spot and wounding another. He then bolted to his house, but being pursued ran towards the residency with the object of taking refuge there. Finding the residency gate closed he hurried to the Turkish consulate, where he took refuge. Only a Persian gendarme was present in the consulate at the time, and when the gunners discovered where the fugitive had hidden they forcibly entered the Turkish consulate and shot him down. The gendarme was mortally wounded and the deputy head of police was dragged out of the consulate and through the town.

On receiving news of the outrage the Turkish consul came from his country house to town and called on the governor to lodge a protest. The next day, after an enquiry had been held, the governor and the karguzar called on the Turkish consul to express their regret at the occurrence, and the gunners offered to go the Turkish consulate in uniform to tender an apology. This offer was, however, refused. The Turkish consul is not satisfied with the action of the local authorities in the matter, and is endeavouring to magnify the affair. He engaged riflemen for the protection of Turkish subjects, and provided the latter with Turkish flags to fly over their houses, but these were subsequently withdrawn. The body of the gendarme was buried on the 4th with a good deal of ceremony, the Turkish consul paying all expenses.

Bander Abbas.

A robbery of merchandise of British Indian subjects, amounting to 50l., was reported early in April at Gudar-i-Surkh, in Fars jurisdiction. The Kirman road appeared to be fairly safe except at Gudar-i-Surkh, where caravans were being systematically looted.

Ahwaz.

1. Traffic on the Lynch road is once more in full swing. A record caravan of 1,200 animals left Ahwaz on the 4th April.

2. Captain A. J. H. Grey, consul-elect at Ahwaz, arrived on the 1st April. Lieutenant Ranking returned to Ahwaz from tour on the 9th May.

Mohammerah.

Lieutenant Wilson, with Surveyor Sultan Mohammed, left for Dizful by land on the 17th March.

[21725]

No. 288.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 78.)

Sir,

Tehran, May 18, 1911.

IN your despatch No. 157 of the 21st September last you instructed me to deliver to the Shah the King's answer to the letter from the Regent notifying the appointment of Mohammad Hassan Mirza as heir presumptive to the Persian throne. I was at the same time to make a verbal communication to His Highness similar to one to be made by the Russian Minister when delivering the Emperor's reply to the Regent.

I was for long unable to carry out these instructions, as the Russian Minister did not receive the Emperor's answer to the Regent's letter until a few days ago.

My Russian colleague and I were to-day received separately in audience by the Shah and the Regent in order to present these letters, and, in handing the King's letter, I used the language which my colleague had been instructed to use. I said that the King had learned the appointment of Mohammad Hassan Mirza as heir presumptive to the throne with lively satisfaction, and that His Majesty looked upon the appointment as a guarantee for the tranquillity and prosperity of Persia, and I conveyed His Majesty's sincere felicitations to the Shah.

The Regent replied, bidding me convey to the King his heartfelt thanks for His Majesty's gracious message. His Highness said he wished to take the opportunity of

[1798]

saying how much his country appreciated all the marks of good-will and sympathy shown by His Majesty's Government and the British people towards Persia during the past few years. He said his country was exceedingly grateful for these marks of sympathy, especially since the beginning of the liberal movement, and Persia knew that in all its difficulties and struggles she could count on British sympathy. In conclusion, His Highness was good enough to thank me for my personal assistance and sympathy.

I have, &c.
G. BARCLAY.

[21726]

No. 289.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 79.)

Sir,

Tehran, May 18, 1911.

WITH reference to my telegram No. 135 of the 24th April, I have the honour to transmit herein the full text of the note which the Persian Government addressed to me on the 22nd ultimo in reply to my note of the 31st March applying for an option for railway construction in Southern Persia (of which I had the honour to forward you a copy in my despatch No. 59 of the 20th ultimo).

I have, &c.
G. BARCLAY.

Enclosure in No. 289.

Mohtashem-es-Sultaneh to Sir G. Barclay.

(Translation.)

Your Excellency,

Tehran, 22nd Rebbi-ul-Sani, 1329 (April 22, 1911).

I HAVE had the honour to receive your Excellency's note of the 29th Rebbi-ul-Avvel (31st March, 1911).

I have the honour to say that of course the British Government will not lose sight of the definite wording of His Majesty Nasr-ed-Din Shah's autograph letter (as follows):—

"Permission will never be granted to anyone to construct any other than a purely commercial railway in Persia."

Although the benefits and advantages of railway construction are in no way concealed from the Persian Government, it is precisely from this point of view that the Persian Government considers itself excused from granting this option.

Having, however, earnestly in view the development of the commerce of the two countries, the Persian Government's wish is that it may be able to arrange for a railway in its own country which will safeguard its political and economic interests, and to study the question with regard to the construction of a commercial railway which would be in accord with the interests of the country.

It is hoped that the British Government, whose relations with and friendly feelings towards this Government have always been highly appreciated, will be in agreement with this legitimate aim of the Persian Government and will show their good-will.

I avail, &c.
MOHTASHEM-ES-SULTANEH.

[21332]

No. 290.

Sir G. Barclay to Sir Edward Grey.—(Received June 2.)

(No. 80.)

Sir,

Tehran, May 19, 1911.

IN continuation of my despatch No. 73 of the 16th instant, I have the honour to say that at its sittings of the 16th and 18th instant the Medjliss discussed the Government's programme of expenditure of the money to be raised by the issue of a loan in London through the Imperial Bank, and that at yesterday's sitting the Government's programme was adopted by the Majority, in spite of the repeated opposition of the Democratic party.

The following is a summary of the items of expenditure voted by the Medjliss:—

				Tomans.	£
1. Expeditionary troops (17,500 men)	..	..	..	1,375,000	(275,000)
Arrears due to troops	..	..	..	150,000	(30,000)
2. Purchase of arms	..	..	..	220,000	(44,000)
3. Arrears due to Persian representatives abroad	..	..	..	100,000	(20,000)
4. Gendarmerie	..	..	..	200,000	(40,000)
5. Arrears due to road guards	..	..	..	125,000	(25,000)

It will be observed that, with the exception of 20,000*l.* for the Persian representatives abroad, the whole amount is set aside for military purposes, and that all the money available out of the loan—something over 400,000*l.*—has been at once ear-marked.

As regards item No. 4, the programme states that out of the 200,000 tomans allocated to the gendarmerie, 80,000 tomans is for the gendarmerie of the south of Persia, while the balance is to be kept in hand until after the arrival of the Swedish officers, when it will be available for expenditure in accordance with their recommendations.

I have, &c.
G. BARCLAY.

[21691]

No. 291.

Sir G. Buchanan to Sir Edward Grey.—(Received June 6.)

(No. 159. Secret.)

Sir,

St. Petersburg, May 31, 1911.

IN a conversation which I had with the Acting Minister for Foreign Affairs on the 24th of this month, I enquired whether his Excellency had received a report of the conversation which you had had with the Russian Ambassador on the subject of the Russo-German negotiations, and, on his replying in the negative, I informed him of the language which you had held to Count Benckendorff, as reported in your telegram No. 195 of the 23rd instant.

M. Neratow did not attempt to dispute the justice of your contentions, and admitted the desirability of retaining the term "Konieh-Bagdad," provided that this could be done without bringing about a rupture of the negotiations. He was careful, however, not to commit himself either one way or the other, as he had not yet had an opportunity of discussing the question with the President of the Council. As regarded, however, the question of the 4 per cent. customs increase, he begged me to assure you that you need not be under the slightest apprehension. Russia had, he said, reserved to herself complete liberty of action on this point, and the language of the draft agreement made this perfectly clear. It was, indeed, for this very reason that words had been introduced into it to the effect that no pecuniary or economic sacrifice was to be required of Russia.

I returned to the subject in a conversation which I had with M. Neratow this afternoon after receiving your telegram No. 206 of the 25th instant. I reminded his Excellency that the term "Bagdad Railway," employed in the original draft agreement, had been interpreted in two diametrically opposite senses by the German and Russian Governments. It was therefore most important to prevent any similar misunderstanding arising in the future respecting Russia's position with regard to the question of the 4 per cent. customs increase. This might be done either by altering the words to which he had called my attention so as to make their meaning perfectly clear, or by obtaining some precise assurance from the German Government to show that they understood these words to convey the same meaning which the Russian Government attached to them.

M. Neratow replied by assuring me once more that the question of the 4 per cent. customs increase had never been raised in the course of the negotiations; that Russia was perfectly free to give or to refuse her consent to it; that Germany could never dispute her right to act as she pleased with regard to this question; that the meaning of the words in question was perfectly clear; and that their scope would be restricted were they to be made to refer expressly to the 4 per cent. customs increase.

His Excellency then observed that, while Russia was thus perfectly free to refuse the proposed increase in the customs, it would be difficult for her, were she ever to consent to it, to make her acceptance conditional on the non-application of the revenue

to be derived from it to the Bagdad Railway. I said that I thought that, as we had a few years ago consented to an increase of 3 per cent. in the Turkish Customs on the condition that the proceeds should be devoted to Macedonia, we might, if we so wished it, make our consent to any further increase conditional on the proceeds not being used for the purpose of kilometric guarantees. His Excellency, however, maintained that, while it was possible to grant a customs increase for one specific object, we could not reverse this process and prescribe the purposes to which it was not to be applied.

I gather from what M. Neratow said that he was under the impression that we may wish to attach some such condition to our eventual consent to the 4 per cent. customs increase, and that he wishes to warn us that it would be difficult for the Russian Government to follow us in such a course. He subsequently informed me that he had had no further conversations with the German Ambassador on the subject of the draft agreement, but that the negotiations might be resumed in two or three weeks' time when the President of the Council would have been relieved of his parliamentary work by the prorogation of the Council of the Empire.

I have, &c.

GEORGE W. BUCHANAN.

[21978]

No. 292.

Messrs. Burroughs Wellcome and Co. to Sir Edward Grey.—(Received June 6.)

Sir,

London, June 3, 1911.

REFERRING to your esteemed favours of the 16th instant, we shall be glad to hear whether you have had any communication from the Persian Government with respect to the incident you kindly reported to us.

As our representative, Mr. W. R. Kingston, will be making further travels in Persia, we hope to receive your assurance that he will be afforded proper protection during the remainder of his visit to that country.

We have, &c.

BURROUGHS WELLCOME AND CO.

[21966]

No. 293.

India Office to Foreign Office.—(Received June 6.)

Sir,

India Office, June 3, 1911.

IN continuation of the letter of this Office dated the 12th ultimo, as to arrangements for the conservancy of the Shatt-el-Arab, I am directed by the Secretary of State for India to address you regarding the further correspondence marginally quoted* that is now before the Secretary of State for Foreign Affairs.

In so far as concerns the wording of the Treaty of Erzeroum (1848), the Earl of Crewe recognises that it might be taken to imply the right of Turkey to control the Shatt-el-Arab from bank to bank, subject only to free liberty being accorded to Persia to navigate it.

This view might find support in the suggestions of the mediating commissioners in 1850, regarding the boundary in the neighbourhood of Mohammerah. In this connection I am to solicit reference to the correspondence ending with this Office letter of the 26th August, 1910, and to say that the Earl of Crewe does not altogether share the opinion of his predecessor on the question therein discussed. That the Turks are in possession of the commissioners' map, which would appear to assign to them the whole of the river, is undoubtedly inconvenient, as is also the circumstance that the two Powers pressed the Porte in 1850 to accept the commissioners' line. But the Porte declined to do so, and in his Lordship's opinion the situation thus created must be held to be governed by the communication made to them in 1869, when the representatives of the Powers handed in a map on which no line at all was drawn. This identic map seems to have been the basis of all subsequent discussions, and Lord Crewe sees no reason for going behind it, or for permitting the Turks to go behind it, to an earlier

* Admiralty to India Office, May 17, 1911; Lieutenant-Colonel Cox to Government of India, Telegraphic, April 25, 1911; Government of India to Viscount Morley, Telegraphic, May 16, 1911.

map, which their own ill-judged action had caused to be superseded. It might further be pointed out to the Turkish Government, if necessary, that by their rejection of the line proposed in 1850 they have allowed a situation to grow for sixty years in which mid-channel has, without challenge, been accepted by local usage as the boundary, and that this is consequently the *status quo* on the observance of which His Majesty's Government must insist.

As regards the approaches to the Shatt-el-Arab, as distinct from the channel, there may be presumed to be no question but that Turkish and Persian rights are regulated by general considerations of international law, instead of exceptional treaty stipulations. Subject, therefore, to any observations of Secretary Sir E. Grey, Lord Crewe does not consider that, as between Turkey and Persia, the case presents any special difficulty.

As regards, however, the privileged position of Great Britain the ground is not so secure. British enterprise has in the past done all, or most, of what has been effected to secure the navigability of the Shatt-el-Arab, but the upkeep of buoys and charts and the provision of lights might have been carried out with greater thoroughness (with the result that the present situation might have possibly been avoided), and it seems certain that, whatever services Great Britain might render in future, they would not be held from any legal standpoint to substantiate a claim upon her part to control the waterway between two independent countries. Lord Crewe would therefore suggest that, while Great Britain may reasonably insist on equitable treatment in view of her past services and the magnitude of her shipping interests, she should admit the legal rights of Turkey and Persia and act as suggested in the telegram of the Government of India dated the 16th instant, namely, induce Persia if possible (1) to object to Turkey's claim to assume the whole control of the river, and (2) to accept Great Britain as her delegate in the matter. The possession of equal influence with Turkey would presumably be sufficient to obtain acceptable arrangements in the Shatt-el-Arab, since otherwise its navigation might be made impossible, and if no international commission were set up the situation would not be so likely to arise in which another European Power might claim to intervene.

As regards the important question raised by the naval commander-in-chief's report as to the superiority of Bussorah as compared with Koweit as the terminus of the Bagdad Railway, Lord Crewe feels some doubt whether the report should in itself be regarded as of a decisive character. Though he speaks with some diffidence on the point, he imagines that there must remain at least an element of uncertainty as to the stability of conditions at the bar, and it is more than likely that in course of time the navigability of the river will be detrimentally affected, if not destroyed, by works of irrigation. The matter appears to call for further careful consideration between the departments concerned.

Copy of this letter is being communicated to the Admiralty and the Board of Trade.

I am, &c.

R. RITCHIE.

[22010]

No. 294.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 196.)

(Telegraphic.) P.

Tehran, June 6, 1911.

TURCO-PERSIAN frontier.

Please refer to your telegram No. 174, dated the 1st June.

M. Poklewski and I informed the Minister for Foreign Affairs yesterday evening that we had been given to understand that a Persian delegate would not be allowed to enter freely into Turkish territory by the Porte. We reminded his Excellency that no reply had been received to our invitation, and advised him in the circumstances to refrain from nominating a representative on the forthcoming tour of inspection. We added that our two delegates would start now alone.

Minister for Foreign Affairs raised no objection.

[1798]

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[22011]

No. 295.

Sir G. Barclay to Sir Edward Grey.—(Received June 6.)

(No. 197.)

(Telegraphic.) R.

Tehran, June 6, 1911.

SINCE my telegram No. 190 of 28th May: Southern roads, ex-Khan of Kamarej, referred to in my despatch No. 76, appears to be terrorising road north of Bushire, and has robbed a caravan, carrying off eleven bales of carpets.

I am bringing this to notice of Persian Government.

[20347]

No. 296.

Foreign Office to Messrs. Ziegler and Co.

Gentlemen,

Foreign Office, June 6, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 17th ultimo containing further observations on the state of the trade routes of Southern Persia.

I am to inform you that, according to a telegraphic report dated the 28th ultimo from His Majesty's Minister at Tehran, improvement has taken place since the beginning of the present year in the condition of the Bushire-Ispahan road. On the Bushire-Shiraz section of the road no robbery has been reported for a considerable time, and since December there has been none in which British goods were involved. The tribal migration took place without the usual damage to the telegraph line. Few caravans, however, are passing owing to scarcity of transport, of which merchants complain.

There has been a good deal of raiding by Kuhgeluis near Kumisheh, on the Shiraz-Ispahan section of the road, but the last robbery in which British goods were involved occurred on the 1st ultimo, and caravans are now passing with a fair amount of freedom.

As for the general state of trade in Southern Persia, I am to point out that the customs statistics for the ten months ended the 21st January last, which have recently been published, show an increase of 12 per cent. over previous years in the receipts of the southern customs, the decrease under this head at Bushire being more than counterbalanced by the increase in the receipts at Mohammerah and Bunder Abbas. It should be noticed in this connection that the increase recorded at Mohammerah is independent of the imports made by the Anglo-Persian Oil Company, which do not pay duty.

I am, &c.

LOUIS MALLET.

[21096]

No. 297.

Sir Edward Grey to Sir G. Buchanan.

(No. 148.)

Sir,

Foreign Office, June 7, 1911.

WITH reference to previous correspondence on the subject of the loan by the Imperial Bank of Persia to the Persian Government, I have to request your Excellency to inform the Russian Government that the loan contract was signed at Tehran on the 8th ultimo.

In making this communication your Excellency should add that in order to avoid a bread riot, which was threatened at Tehran, the bank, on the 29th ultimo, advanced to the Persian Government on the loan a further sum of 600,000 krans.

I am, &c.

E. GREY.

[21595]

No. 298.

Sir Edward Grey to Sir G. Barclay.

(No. 61.)

Sir,

Foreign Office, June 7, 1911.

WITH reference to recent telegraphic correspondence, ending with your telegram No. 194 of the 4th instant, relative to the concession for the shipment of red oxide from Hormuz, I transmit to you herewith copy of a letter from Messrs. Ellinger and Co. on the subject, with the enclosures in original, together with copy of the reply which I have caused to be returned to that communication.*

It appears from the newspaper report, which forms the first enclosure in Messrs. Ellinger's letter, that Muin-ut-Tujjar is correct in the assertion which he has repeatedly made to that firm, to the effect that he has communicated to the Medjliss the originals of the firmans and all other documents connected with his concession which are in his possession.

I should be glad to receive any observations which you may have to offer on this correspondence, the original portion of which should be returned with your reply.

I am, &c.

E. GREY.

[21595]

No. 299.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, June 7, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 2nd instant, enclosing translations of documents relating to the concession for the shipment of oxide from Hormuz, and to express to you his thanks for this communication.

It appears from the translation of a newspaper report, which forms the first enclosure in your letter, that Muin-ut-Tujjar is correct in his assertion that he has communicated to the Medjliss the originals of the firmans and other documents connected with his concession which are in his possession.

It would seem, however, that the committee appointed by that body to consider the question decided that the concession was not granted in perpetuity, and recommended that the Persian Government should work the mines themselves.

The Medjliss, before whom the report of the committee was laid, decided to refer the question back to the Cabinet for reconsideration, and the latter appear to have proposed a compromise with Muin.

It was further stated in the Medjliss on the 24th December last that the Cabinet would lay their views on this point before the Assembly in writing; but there is nothing to show that this has been done, or that the question at issue has been settled.

I am to state that a copy of your letter, with the documents enclosed in it, has been forwarded to His Majesty's Minister at Tehran for his observations, and that he has been instructed to defer making a communication to the Persian Government on the subject till the objections which, as it is understood, you wish to raise to the course proposed in the letter of the 23rd ultimo from this Office have been received and considered.

I am to request that you will communicate them without delay.

I am, &c.

LOUIS MALLET.

[21978]

No. 300.

Foreign Office to Messrs. Burroughs, Wellcome, and Co.

Gentlemen,

Foreign Office, June 7, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 3rd instant relative to the recent attack on Mr. W. R. Kingston.

I am to inform you, in reply, that His Majesty's Minister at Tehran has been

* Nos. 276 and 299.

instructed, failing the recovery of the articles stolen from Mr. Kingston and the punishment of the culprits, to present to the Persian Government a claim for the value of these goods, and in any case to present to them a claim for 100*l.* as compensation to Mr. Kingston for the treatment he received, but that, so far as Sir E. Grey is aware, no communication has yet been made by the Persian Government to His Majesty's Legation on the subject.

I am to add that in the present disturbed state of Persia it is impossible for Sir E. Grey to give you the assurance which you desire to the effect that Mr. Kingston will receive proper protection during the remainder of his visit to that country, but that Sir G. Barclay will be instructed to take such steps as may appear useful to ensure that gentleman's safety in the course of his subsequent travels, so far as this can be done.

I am, &c.
LOUIS MALLET.

[22277]

No. 301.

Sir G. Buchanan to Sir Edward Grey.—(Received June 8.)

(No. 165. Secret.)

Sir,

St. Petersburg, June 4, 1911.

I ASKED the Acting Minister for Foreign Affairs this afternoon whether there was any progress to report in the matter of the Russo-German negotiations and whether I might inform you that he would not definitely conclude them without again consulting you.

M. Nératow replied that he had already submitted to you the only point of any real importance, namely, that with regard to the retention or abandonment of the term "Konieh-Bagdad Railway." He had had no further conversations with Count Pourtalès since he had last seen me, and it was his intention not to commit himself with regard to this particular point till the very last, and then to see whether it was possible to retain the word "Konieh" without causing a rupture of the negotiations. He thought that the negotiations would probably last for another two or three months.

On my pressing him to speak of the other articles of the draft agreement, M. Nératow told me that Count Pourtalès had proposed that, as the railway would reach Bagdad in five or six years' time, and as the branch line from Sadijeh to Khanikin would be completed in another two, Russia should engage to construct and finish the Khanikin-Tehran line in two years from the completion of the Sadijeh-Khanikin line, or in ten years from now. This, M. Nératow said, Russia could not undertake to do, as, in view of the mountainous country through which it would have to pass, it would be impossible to construct it in so short a period as two years. As regards the financing of the line, M. Nératow is apparently in favour of an international syndicate, and the text will probably be modified so as to recognise the right of Russia to invite the participation of foreign capital. His Excellency also seems anxious to keep Germany out of such a syndicate.

M. Nératow said that it would probably be necessary to tone down the text of the article dealing with railways running towards the Russian and Persian frontiers, so as not to offend the susceptibilities of the Porte. The wording of the article would be rendered somewhat vaguer, but, in order to prevent any possible misunderstanding, its real meaning might be explained by an exchange of secret notes.

I suggested that this same procedure might be followed with regard to the words "financial and economic sacrifices," so as to render it quite clear that they conferred on Russia the right to refuse her consent to the 4 per cent. customs increase. M. Nératow, however, declared that this was quite unnecessary, and that any mention of the 4 per cent. customs increase in connection with them would only restrict their scope.

In the course of our conversation M. Nératow informed me that some of the members of the Russian group interested in the trans-Persian Railway would shortly visit London, and enquired whether His Majesty's Government had attached any conditions as to the English financiers with whom they might negotiate. I replied

that, so far as I was aware, they were free to negotiate with whatever group of English financiers they pleased, but I presumed that the results of their negotiations would have eventually to be approved by His Majesty's Government.

I have, &c.

GEORGE W. BUCHANAN.

[22272]

No. 302.

Anglo-Persian Oil Company to Foreign Office.—(Received June 8.)

*Winchester House, Old Broad Street,
London, June 7, 1911.*

Sir,

I HAVE received a telegram from our agent at Tehran (Mr. D. Brown), stating that the Persian Government have signified a desire to discuss the question of financing railways, more particularly the one from Mohammerah (or Khar Musa) to Khoremad, with him in the course of the next few days.

Before sending a reply I should be glad to have a further talk with you on the matter if you will kindly give me an appointment.

I have, &c.

C. GREENWAY,
Managing Director.

[22182]

No. 303.

Sir G. Barclay to Sir Edward Grey.—(Received June 8.)

(No. 198.)

(Telegraphic.) P.

TURCO-PERSIAN frontier.

Tehran, June 8, 1911.

In continuation of my telegram No. 196 of the 6th June, I have the honour to report that Mr. Shipley and M. Minorski leave Tabreez to-day on frontier tour.

[22243]

No. 304.

Sir G. Barclay to Sir Edward Grey.—(Received June 8.)

(No. 199.)

(Telegraphic.) Decode.

WILSON arrived all right Khoremad on 23rd May.

Tehran, June 8, 1911.

[22424]

No. 305.

Sir G. Barclay to Sir Edward Grey.—(Received June 9.)

(No. 201.)

(Telegraphic.) P.

REGENT.

Tehran, June 9, 1911.

I have been informed on good authority that Nasr-ul-Mulk is thinking of leaving Persia in the near future on leave. As I believe that his return would be highly doubtful, I am informing his Highness privately that this rumour has come to my ears, and that I earnestly trust that it may prove to be without foundation, as it appears to me of the utmost importance that he should remain at Tehran and that his resignation would be little short of a calamity for Persia.

I think that our best chance of dissuading his Highness from putting into effect the intention with which rumour credits him would be for me to receive a private message from His Majesty's Government on similar lines, which I could convey to him if necessary.

[1798]

[22434]

No. 306.

Sir G. Barclay to Sir Edward Grey.—(Received June 9.)

(No. 202.)

(Telegraphic.) *En clair.**Tehran, June 9, 1911.*

MISSING Brazilian reached Kazerun. Greater part stolen property recovered.

[22403]

No. 307.

Sir Edward Grey to Sir G. Barclay.

(No. 177.)

(Telegraphic.) P.

Foreign Office, June 9, 1911.

OUTRAGE on Mr. Kingston.

Please see my despatch No. 62 of the 7th June.

Messrs. Burroughs and Wellcome state that they have received a telegram from Kingston stating that security is insufficient to enable him to leave Ispahan. They are indifferent as to what route he takes, and will instruct him to abide by your decision. Can you therefore arrange for him to go by whichever route you consider safest, either back to Tehran or to Ahwaz or Bushire, and to receive adequate protection en route?

[22451]

No. 308.

Sir C. Spring-Rice to Sir Edward Grey.—(Received June 10.)

(No. 96.)

Sir,

Stockholm, June 6, 1911.

WITH reference to my telegram No. 4 of the 18th April, I have the honour to inform you that I learned at the Foreign Office to-day that a draft contract has been communicated by the Persian Government specifying the conditions for the employment of Swedish officers for the organisation of the Persian gendarmerie.

This contract is now under the consideration of the Ministry of War. The negotiations are being carried on between the Swedish and Persian Legations in Paris. No definite decision seems yet to have been arrived at. In case it becomes necessary for His Majesty's Government, in consequence of repeated complaints from British traders, to insist on adequate measures being taken for the defence of trade routes in South Persia, and in case the British scheme involves the employment of British officers for that purpose, it may become a question to be considered what will be the position of the Swedish gendarmerie officers, if any are appointed. I venture to remind you that the Swedish Government consulted His Majesty's Government before considering the Persian offer to employ Swedes, and that His Majesty's Government's answer implied that they had no objection.

I venture therefore to submit, for your consideration, whether it might not be desirable, if His Majesty's Government contemplate any new and energetic measure in South Persia, to give the Swedish Government preliminary warning.

I have, &c.

CECIL SPRING-RICE.

[22553]

No. 309.

India Office to Foreign Office.—(Received June 10.)

Sir,

India Office, June 9, 1911.

IN continuation of previous correspondence, ending with your letter dated the 22nd December, 1910, regarding the payment to the Persian Government of the sum due for the rental of the Central Persia telegraph line, I am directed by the Secretary of State for India in Council to state that an eighth instalment of this rental becomes due on the 1st July, 1911.

The account in connection with the cost of the line was presented to the Persian Government by the British Minister at Tehran on the 18th March last, but no intimation has since been received at this Office that the Persian Government have accepted it as

correct. In accordance with that account, the half-yearly payment for the rental of the line should amount to 15,635 fr. The seven instalments of rental so far paid have been at the minimum rate shown in the convention, viz., 12,500 fr. per half-year, and there is therefore a balance due to the Persian Government of 21,945 fr.—(15,635 fr. — 12,500 fr.) × 7. It is understood that the British Minister at Tehran, in presenting the account, explained this, and stated that the balance due would be placed at the disposal of the Persian Government as soon as the account was accepted.

The Secretary of State for India in Council will be glad if the Secretary of State for Foreign Affairs will cause the necessary instructions to be communicated to the British Minister at Tehran to make a payment to the Persian Government on the 1st July next of either 12,500 fr. as before, or of 37,580 fr. (15,635 fr. + arrears 21,945 fr.) in the event of the Persian Government intimating the acceptance of the account on or before that date.

I am, &c.

R. RITCHIE.

[22484]

No. 310.

Sir G. Barclay to Sir Edward Grey.—(Received June 10.)

(No. 203.)

(Telegraphic.) R.

Tehran, June 10, 1911.

MY telegram No. 193.

I await your authorisation before sending McDouall to Kasrishirin.

[22603]

No. 311.

Sir G. Barclay to Sir Edward Grey.—(Received June 10.)

(No. 204.)

(Telegraphic.) R.

Tehran, June 10, 1911.

FOLLOWING from Shiraz:—

"Part of regiment of Persian soldiers, fully armed, succeeded in entering consulate gate. They exchanged shots with consular escort, and were driven out, leaving two men killed and one severely wounded. There were also two more wounded outside. Inside consulate one sowar is wounded in hand. Object of soldiers is said to have been to take bast in protest against lack of pay."

[22622]

No. 312.

Sir G. Barclay to Sir Edward Grey.—(Received June 10.)

(No. 205.)

(Telegraphic.) P.

Tehran, June 10, 1911.

REGENT. I have the honour to report, in continuation of my telegram No. 201 of yesterday's date, that M. Poklewski joined me in my message to Nasr-ul-Mulk.

Regent stated that he appreciated our friendly advice very highly and thanked us for it, adding that, although he had gone so far as to communicate privately to the Medjliss his intention of leaving Persia for a short period, he had now reconsidered his plans and would remain at Tehran and watch developments. In conclusion, his Highness assured us if he felt obliged to leave we would be advised of his intention.

[22623]

No. 313.

Sir G. Barclay to Sir Edward Grey.—(Received June 10.)

(No. 206.)

(Telegraphic.) Decode.

Tehran, June 10, 1911.

FOLLOWING is repetition of Shiraz telegram No. 153:—

"Persian regiment, which had been drilling, applied unsuccessfully for arrears of pay. They then came 400 or 500 strong, fully armed, to consulate, ostensibly to take

bast. For the moment I was absent at telegraph office, but consulate munshi went to gate and told them they could not be admitted. They then attempted to enter by force. Munshi shouted that if they did not desist they would be fired on. They replied that they would fire also, and loaded rifles, one threatening munshi, who caught hold of barrel. They rushed, one shot went off, sepoy fired on those who passed gate. These, with companions outside, returned fire. After one minute's fusillade, sepoy succeeded in driving out those Persian soldiers inside and closing gate. Firing ceased.

"Regrettable as incident is, I think it quite impossible guards should have acted otherwise than they did, and I am convinced that munshi did everything to induce soldiers to leave quietly.

"Wounded sowar has finger shattered by bullet. One Persian soldier killed, two mortally wounded inside consulate, two others, I believe, outside.

"Governor sent commander of forces to express regret at occurrence and to investigate. He has also sent fifty sowars to guard consulate."

[22624]

No. 314.

Sir G. Barclay to Sir Edward Grey.—(Received June 10.)

(No. 207.)

(Telegraphic.) P.

Tehran, June 10, 1911.

SHIRAZ. In continuation of my telegram No. 206 of to-day's date, I have the honour to report that I have brought the facts of the incident briefly to the notice of the Persian Government, and I am urging them to take the steps necessary to avoid further disturbances, adding that when I was in possession of details I should again address them.

Unless evidence is forthcoming to show that the Persian troops had an intention other than that of taking bast in the consulate, I presume that an expression of regret in writing from the Minister for Foreign Affairs will be, with the call already paid by the commander of the forces on His Majesty's acting consul, sufficient reparation for incident. I have the honour to request instructions on this point.

[22484]

No. 315.

Sir Edward Grey to Sir G. Barclay.

(No. 178.)

(Telegraphic.) R.

Foreign Office, June 10, 1911.

YOUR telegram No. 203 of 10th June.
You are authorised.

[22663]

No. 316.

Sir G. Barclay to Sir Edward Grey.—(Received June 11.)

(No. 208.)

(Telegraphic.) R.

Tehran, June 11, 1911.

HIS Majesty's consul-general at Ispahan reports that dissensions have broken out amongst Bakhtiari, and that there has been severe fighting near Dehkurd.

[22788]

No. 317.

Sir G. Barclay to Sir Edward Grey.—(Received June 12.)

(No. 81.)

Sir,

Tehran, May 31, 1911.

ON receipt of your telegram No. 132 of the 4th instant I prepared a note to the Persian Government in the sense of your instructions, but before presenting it I showed it to the Minister for Foreign Affairs in order to ascertain whether any change of wording would be more likely to meet with a favourable response.

His Excellency reminded me that his willingness to enter into negotiations with a

British group applied to railway construction in general in Persia, and not specially to railway construction in the south. This was quite true, and, as I thought that to take note of such an assurance might be not altogether pleasing to my Russian colleague, I redrafted my note, omitting any reference to his Excellency's previous assurance.

I enclose a copy of this communication.

I have, &c.

G. BARCLAY.

Enclosure in No. 317.

Sir G. Barclay to Persian Minister for Foreign Affairs.

M. le Ministre,

Tehran, May 25, 1911.

I DID not fail to convey to the Secretary of State for Foreign Affairs the contents of your Excellency's note of the 22nd April last, and I am now directed by him to state that he quite appreciates the point of view of the Persian Government in not wishing to grant an option for a railway in Persia to a foreign Government.

He presumes, however, that when the Persian Government desire to undertake the construction of a line from Mohammerah, or of any other southern line, they will enter into negotiations with a British syndicate.

I avail, &c.

G. BARCLAY.

[22645]

No. 318.

Sir G. Lowther to Sir Edward Grey.—(Received June 12.)

(No. 398.)

Sir,

Constantinople, June 7, 1911.

WITH reference to your despatch No. 150 of the 30th May last, relative to an attack in a Bussorah newspaper on the employés of the Anglo-Persian Oil Company, I have the honour to report that the article, of which a translation is enclosed in your despatch, had already been sent to me by His Majesty's consul at Bussorah.

I mentioned the matter at the time in conversation with the Minister for Foreign Affairs, but his Excellency merely replied that too much importance need not be given to an irresponsible press, and it appeared to me unnecessary to press the matter further, for it is practically impossible to get any satisfaction in these questions, and the probable result of any attempt to do so is a repetition of the offence in a more aggravated form.

The fact is that, except in the capital, the Government has very little power of control over the press, as is shown by the fact that my representations concerning the open letter to His Majesty the King, referred to in my despatch No. 378 of the 15th June, 1910, remained without result, and by the failure of the action recently brought by the Russian consul-general in Salonica against the responsible editor of the "Silah," a Salonica journal, for a most violent attack on the Russian Government. The editor was acquitted, and the verdict was made the occasion of an outburst of popular applause.

An extract from the "Jeune Turc" of the 6th instant, giving the grounds for the verdict, is enclosed herewith.

Another significant incident occurred on the 4th instant at Monastir, where various local journals have been publishing inflammatory and anti-foreign articles. Instructions were sent to the Public Prosecutor of that town to proceed against these papers, but before he could take any action he was assassinated in the open street in broad daylight.

Such being the relations of the Government and the press in this country, I venture to think that nothing is to be gained by trying to give effect to the complaint of the Anglo-Persian Oil Company.

I have, &c.

GERARD LOWTHER.

[1798]

2 Z

Enclosure in No. 318.

Newspaper Extract.

LE PROCÈS DU "SILAH": TAHSINE BEY ACQUITTÉ.

LE procès intenté par l'Ambassadeur de Russie à Constantinople, au journal "Silah" de Salonique a eu lieu dimanche après-midi. Après avoir entendu l'avocat de la défense, Djelal Derviche Bey, le tribunal, considérant que l'article de tête du journal "Silah" du 10 avril (v.s.) ne contenait aucune phrase injurieuse pour les personnes du Tsar et de M. Tcharykoff et ne constituait qu'une critique de la situation résultant des idées et des opinions de Tahsine Bey, rédacteur en chef du journal, s'est prononcé pour le rejet de la demande du procureur général, Zihni Bey, et l'acquiescement de Tahsine Bey.

La décision du tribunal a été apprise avec une grande joie par la foule énorme qui remplissait la salle, les couloirs et la rue. Les cris de "Vive la justice!" "Vive le gouvernement constitutionnel!" retentissaient de toutes parts.

Parlant du procès du "Silah" le journal "Roumélie" écrit:—

"Après l'examen des pièces du procès, Tahsine Bey a déclaré que les phrases qu'on montrait comme atteignant la personne du Tsar n'étaient nullement adressées à ce dernier. D'ailleurs les principes du 'Silah' ne lui permettent pas de se livrer à des attaques personnelles. Le défenseur de Tahsine Bey, Djelal Derviche Bey, a ensuite pris la parole et a fait remarquer que Tahsine Bey n'a rien écrit qui puisse être interprété comme une injure à la personne du Tsar, étant donné que critiquer la politique d'un Gouvernement constitutionnel ne constitue jamais une injure au Souverain. D'ailleurs le Tsar lui-même a reconnu que la politique actuelle des hommes est une politique sanguinaire; le fait donc de caractériser la politique d'un État comme sanguinaire ne peut donner lieu à incrimination."

[22664]

No. 319.

Sir G. Barclay to Sir Edward Grey.—(Received June 12.)

(No. 209.)

(Telegraphic.) Decode.

Tehran, June 12, 1911.

MY telegram No. 207 of 10th June.

Following received from Shiraz, No. 159:—

"During incident referred to in my telegram of 10th June sepoy guard main gate fired [at] in all twenty shots. Twelve shots were fired in the rear. Six empty cartridge cases have been found inside gate alcoves. Estimate more than fifty shots were fired from outside.

"Wounded sowar has had second finger right hand amputated at root. It is to be hoped he will remain fit for service. Two wounded Persians have since died of wounds, making three dead in all. Two remaining wounded will recover."

[22905]

No. 320.

Sir G. Barclay to Sir Edward Grey.—(Received June 12.)

(No. 210.)

(Telegraphic.) P.

Tehran, June 12, 1911.

SHIRAZ.

Reference to my telegram No. 206 of the 10th June. His Majesty's acting consul, Shiraz, telegraphs as follows:—

"It is asserted most firmly by consulate, Mirza, and by sepoys that first shot was fired by Persian soldiers."

[22906]

No. 321.

Sir G. Barclay to Sir Edward Grey.—(Received June 12.)

(No. 211.)

(Telegraphic.) R.

Tehran, June 12, 1911.

FOLLOWING from His Majesty's representative at Shiraz, No. 155:—

"It is reported 9th June four parcels of piece-goods and one of opium were robbed 20 miles north of Kazerun. Ispahan road reported closed by robbers both sides of Sivend (about 50 miles north of Shiraz)."

[22907]

No. 322.

Sir G. Barclay to Sir Edward Grey.—(Received June 12.)

(No. 212.)

(Telegraphic.) P.

Tehran, June 12, 1911.

SHIRAZ.

In continuation of my telegram No. 210 of the 12th June, I have the honour to report that the information which has so far reached me does not seem to indicate that the Persian soldiers, in breaking into the consulate, were actuated by any hostile object. Incident seems to have been due either to a genuine attempt on the part of the soldiers to draw attention to their grievances by taking bast or, at worst, to have been the work of interested persons desirous of creating a disturbance with a view to making trouble for the Governor-General.

Mr. Knox is inclined to suspect Nizam-es-Sultaneh of having been privy to the matter. The evidence produced up till now does not, however, appear to me at all convincing. It seems at any rate proved that the local authorities endeavoured to stop the soldiers by producing the arrears of pay due to them.

In the absence of any further evidence inculcating Nizam, I think that we may consider that the local authorities cannot be held to be directly responsible. By taking this view we shall be enabled to be moderate in our demands for reparation—a course which would seem to be more politic on grounds of general policy. The dismissal or resignation of the Governor-General at this juncture, although the recent agitation against the presence of Kawam-ul-Mulk at the consulate seems to have been instigated by him, is not to be desired, and I submit that we should avoid, if possible, playing into the hands of his enemies and thus weakening his authority.

[22424]

No. 323.

Sir Edward Grey to Sir G. Barclay.

(No. 179.)

(Telegraphic.) P.

Foreign Office, June 12, 1911.

POSSIBLE departure of Persian Regent.

If you think it necessary, you may certainly tell the Nasr-ul-Mulk that in my opinion the hopes of his country depend on him, and you may say that all who wish to see Persia restore internal order and regain her strength would be discouraged by his departure from the country. (See your telegram No. 201 of the 9th instant.)

[22586]

No. 324.

Sir Edward Grey to Sir G. Lowther.

(No. 165.)

Sir,

Foreign Office, June 12, 1911.

THE Turkish Ambassador showed to Sir A. Nicolson on the 2nd instant a telegram from the Turkish Minister for Foreign Affairs relative to the tour of the British and Russian delegates on the Turco-Persian frontier.

It is probable that this telegram was not intended for communication to His Majesty's Government, since it enjoined Tewfik Pasha to use his best endeavours to have the plan abandoned.

Sir A. Nicolson told his Highness that the tour would take place, and that the delegates would start very shortly, and he added that Rifaat Pasha had engaged to afford them facilities if they entered Turkish territory. His Excellency had only asked that the escorts attached to the commission should not cross the frontier, on which point Sir A. Nicolson believed that no difficulty would arise.

I am, &c.
E. GREY.

[21665]

No. 325.

Foreign Office to Anglo-Persian Oil Company.

Sir, *Foreign Office, June 12, 1911.*
WITH reference to your letter of the 26th ultimo, relative to the interference of Kerim Khan with the works of your company at Kasr-i-Shirin, I am directed by Secretary Sir Edward Grey to inform you that he addressed a telegram to His Majesty's Minister at Tehran, enquiring whether it would be possible to send His Majesty's consul at Kermanshah to that place to deal with the situation.

Sir G. Barclay has now replied that this would be quite possible, but that such a step would be of no use, because Kerim Khan has the support of Daud Khan, chief of the Kalhōrs.

Sir G. Barclay nevertheless proposes to instruct Mr. McDonall to proceed to Kasr-i-Shirin and to do all that he can to assist Mr. Soane.

Sir G. Barclay adds that Daud Khan is completely beyond control, and that representations at Tehran would probably be productive of no result, nor is he in a position to take such steps till he is in possession of further particulars respecting the circumstances of the case.

I am, &c.
LOUIS MALLET.

[23101]

No. 326.

Sir C. Spring-Rice to Sir Edward Grey.—(Received June 13.)

(No. 6.)

(Telegraphic.) P.

Stockholm, June 13, 1911.

SWEDISH officers for Persian gendarmerie.

Three Swedish officers will leave for Paris shortly, where they are to confer with the Persian Minister. They will proceed directly from Paris to Tehran. I understand that, practically speaking, an arrangement has been come to.

[22945]

No. 327.

Sir G. Barclay to Sir Edward Grey.—(Received June 13.)

(No. 213.)

(Telegraphic.) R.

Tehran, June 13, 1911.

MY telegram No. 212 of 12th June.

In reply to a suggestion from acting consul, Governor-General has informed him privately that it is intended to disarm regiment which invaded consulate.

[22624]

No. 328.

Sir Edward Grey to Sir G. Barclay.

(No. 180.)

(Telegraphic.) R.

Foreign Office, June 13, 1911.

YOUR telegram No. 207 of the 10th June: Attack on Shiraz consulate.

I concur with views expressed in last paragraph.

(Repeated to St. Petersburg, No. 253.)

[21712]

No. 329.

Foreign Office to Messrs. Dixon and Co.

Gentlemen,

Foreign Office, June 13, 1911.

WITH reference to your letter of the 24th March last and previous correspondence relative to your claims against the Persian Government, I am directed by Secretary Sir Edward Grey to inform you that he has received a despatch from His Majesty's Minister at Tehran that he has now presented to them a complete list of those still outstanding, and requested a settlement.

I am, &c.
LOUIS MALLET.

[23120]

No. 330.

Mr. O'Beirne to Sir Edward Grey.—(Received June 14.)

(No. 168.)

Sir,

St. Petersburg, June 11, 1911.

WITH reference to your telegram No. 200 of the 24th ultimo, I have the honour to forward to you herewith copy of a letter which I have received from the representative of the Indo-European Telegraph Company in St. Petersburg, enclosing copies of proposed agreements between the company and the Russian and Persian Governments respectively for the working and maintenance of certain lines in North Persia.

I have, &c.
HUGH O'BEIRNE.

Enclosure 1 in No. 330.

M. Pagenkopf to Sir G. Buchanan.

Sir,

St. Petersburg, June 10, 1911.

WITH reference to Mr. Garnett's letter addressed to me under date the 26th May, stating that Sir Edward Grey is not in a position to express an opinion on the proposals of the Indo-European Telegraph Company for the working and maintenance of certain lines in Northern Persia, I have been instructed by my directors to forward to your Excellency the following papers, viz. :—

1. Copy of a proposed agreement with the Russian Government.
2. Copy of a proposed agreement with the Persian Government.
3. A letter addressed by me on the 23rd March (5th April) last to the Russian Foreign Office on the subject of these proposals.

At the same time, I am instructed to enquire whether it will be necessary to send copies of the above-mentioned papers also to the British Foreign Office, London.

I have, &c.
L. PAGENKOPF, Representative of the Indo-European
Telegraph Company in St. Petersburg.

Enclosure 2 in No. 330.

Proposed Agreement between the Imperial Russian Government and the Indo-European Telegraph Company respecting Telegraph Lines in the Russian Sphere of Influence in Persia.

IN view of the agreement entered into between the Indo-European Telegraph Company and the Imperial Persian Government for the erecting, putting in order, maintaining and working of the main telegraph lines in the Russian sphere of influence in Persia, and in further consideration of the Indo-European Telegraph Company employing the necessary number of clerks capable of telegraphing in Russian and Latin characters at the chief cities in the said sphere:

[1798]

The Imperial Russian Government agrees to allow the Indo-European Telegraph Company or the Indo-Extension Company one-half of the Russian terminal rate on Russo-Persian traffic by whatever route messages are transmitted, as also a subsidy of a sum not exceeding 75,000 roubles per annum; this latter sum to be discontinued upon the undertaking becoming self-supporting and paying 5 per cent. on the capital.

Enclosure 3 in No. 330.

Proposed Agreement between the Imperial Russian and Persian Governments and the Indo-European Telegraph Company respecting Telegraph Lines in the Russian Sphere of Influence in Persia.

THE Indo-European Telegraph Company agrees to take over the maintenance of the main lines in the Russian sphere of influence in Persia, namely:—

Tehran-Shahrud-Meshed,
Shahrud-Astarabad,
Meshed-Birjand,
Tehran-Kazvin-Resht-Astara,
Astara-Ardebil,
Tauris-Maranda-Khoi-Urmia and up to the Turkish frontier Baschkale or via Maku-Bayazid (Trebizond trade route),
Tehran-Kazvin-Hamadan-Kermanshah-Khanikin,

upon the following terms:—

ARTICLE 1.

The company agrees to construct, repair, and maintain and work the above-mentioned lines upon the Russian and Persian Governments, either separately or jointly, guaranteeing 5 per cent. on the capital and working expenditure. Should, however, the receipts prove sufficient to meet this expenditure, then the aforesaid Governments will not be called upon for any contribution.

ARTICLE 2.

All material necessary for the construction, maintenance, and working of the lines to be admitted free of duty.

ARTICLE 3.

The company agrees to carry out the proposed work on the different routes as follows:—

- * First year—
Tehran-Shahrud-Meshed.
Shahrud-Astarabad.
Meshed-Birjand.
- * Second year—
Tehran-Kazvin-Resht-Enzeli-Astara.
Astara-Ardebil.
- * Second or third year—
Tauris-Maranda-Khoi-Dilman-Urmia and up to the Turkish frontier Baschkale or via Maku-Bayazid.

The route Tehran-Kazvin-Hamadan-Kermanshah-Khanikin which requires a special agreement and other arrangements to be undertaken as decided upon hereafter.

ARTICLE 4.

Where two lines are necessary the company agrees to erect a second line. In such cases one line to be for the use of the Persian Government and one line for the company.

In cases of interruption the workable line to be used equally by the Government and the company, say, for four consecutive hours each until the other line is restored.

* Note.—This arrangement to be subject to alteration if any other found necessary or more convenient to the parties interested.

ARTICLE 5.

The company to provide clerks for the transmission of internal and international messages in Russian and Latin characters.

ARTICLE 6.

In the case of internal messages—in Russian or Latin characters—the company is to collect and retain all charges in part payment for the cost of construction, maintenance, and working expenses.

ARTICLE 7.

In the case of international messages, the rules in force at present to hold good, that is, from the Persian terminal rate, one-third to the company and two-thirds to Persia, except in the case of Russia and Turkey, where special terminal rates will be arranged for, and one-half of which to be the company's share, the other half going to Persia.

Messages from one administration to another in Persia, each administration to retain the full charge collected.

ARTICLE 8.

The transit rates for messages between Russia and Turkey, or any two stations in Russia or Turkey, to be 30 centimes, one-half of which to be the company's share, the other half going to the Persian Government.

ARTICLE 9.

Messages from and to India and beyond to be transit free by all routes, the Imperial Persian Government already having agreed to a lump sum for all such traffic.

ARTICLE 10.

The Persian Government agrees not to compete for international traffic, nor for internal European traffic where the company have provided clerks for dealing with the same.

ARTICLE 11.

All accounts to be settled monthly.

ARTICLE 12.

The Persian Government agrees to assist the company in obtaining suitable sites for offices and buildings where necessary at the market value.

ARTICLE 13.

The Persian Government agrees to afford the company all the protection it can, and, where possible, to recover for wilful damage.

ARTICLE 14.

The Persian Government to have the right of having a controller at any station they may choose, and exercise any supervision over accounts they may think necessary.

ARTICLE 15.

The present agreement to remain in force until 1945, when all instruments and material become the property of the Persian Government.

ARTICLE 16.

The company to have the option of renewing or leasing the lines after the expiration of the present agreement.

ARTICLE 17.

In cases of dispute the English or French text to be the only one considered.

Enclosure 4 in No. 330.

M. Pagenkopf to M. de Klemm.

Your Excellency,

St. Petersburg, March 23 (April 5), 1911.

REFERRING to my letters of the 27th February (12th March), 1910, and of the 28th December, 1910 (10th January, 1911), I have the honour to submit herewith to your Excellency a project for the reconstruction, thorough repair, as well as an effective maintenance and working of the main telegraph lines in the Russian sphere of influence in Persia.

The project consists:—

1. Of a proposed agreement between the Imperial Russian Government and the Indo-European Telegraph Company (p. 1).
2. Of a similar agreement between the Imperial Persian Government and the above company (pp. 2 to 7).
3. Of certain calculations showing the capital and annual expenditure required for carrying out the work (pp. 8 to 15).
4. Of a statement showing the total estimated receipts and expenditure for one year under the proposed arrangement (p. 16).

As regards the proposed agreement, I beg to state that they have received the approval of the board of the Indo-European Telegraph Company. The calculations mentioned at 3 and 4 were made by Mr. T. Casey, who has been for a long time the company's representative in Persia, and is therefore thoroughly acquainted with Persian telegraphs, and these calculations may consequently be considered as practically correct.

The project now submitted has been on several occasions discussed with his Excellency M. de Hartwig, the then Imperial Russian Minister at Tehran, and M. de Passek, who was deputed by the Minister to go into the details of the project with our Mr. Casey, and in view of the very unreliable state of the Persian lines referred to hereunder, and the consequent inconvenience, confusion, and losses caused thereby, it was considered desirable to put forward these proposals, which were favourably viewed at the time these discussions took place.

The proposed scheme deals only with the main lines in the Russian sphere of influence, i.e.:—

Tehran-Shahrud-Meshed.
Shahrud-Astarabad.
Meshed-Birjand.
Tehran-Kazvin-Resht-Astara.
Astara-Ardebil.
Tauris-Maranda-Khoi-Dilman-Urmia, up to the Turkish frontier at Baschkale,
or via Maku-Bayazid (Trebizond trade route).
Tehran-Kazvin-Hamadan-Kermanshah-Khanikin.

To carry out the above undertaking, inclusive of a continuation of the Meshed line to Herat, should that at any time become necessary, or, for instance, should the Indo-European Telegraph Department wish to relinquish part or all of the lines under their administration in Persia, and if the company be willing to assume charge thereof, then a branch or extension of the Indo-European Company, with power and capital adequate for such an undertaking, would have to be formed, such branch to be called the "Indo-European Extension Company." The management of the new undertaking would be the same as the parent company.

The proposed extension would simplify accounts and matters of general administration.

The advantages to be gained from the proposed arrangement would, in the first place, accrue to Persian commerce, both internal and international, and next to Russian commerce, as the neighbouring country mostly concerned in the development of Persian commercial activity, and for this reason my company trusts that the present proposals will meet with the favourable consideration of the Imperial Foreign Office and the final approval of the High Imperial Government.

It is distinctly understood that the company would do nothing that is not in accordance with the wishes of the Imperial Russian Government, under whose

benevolent protection the proposed undertaking would remain after its conclusion, but the company ventures to hope that the Imperial Russian Legation at Tehran will assist the company in their negotiations with the Persian Government as far as that can be done unofficially.

In conclusion, I beg to state that a Russian translation of the present letter, including all enclosures, could be furnished within a few days, if such a translation should be found desirable.

I have, &c.

A. PAGENKOPF, *Representative of the Indo-European Telegraph Company in St. Petersburg.*

[21244]

No. 331.

Sir A. Nicolson to Mr. Huth Jackson.

Dear Mr. Huth Jackson,

Foreign Office, June 14, 1911.

I BEG to acknowledge with thanks the receipt of your letter of the 31st May on the subject of the proposed trans-Persian railway.

If you have any fear that M. Timiriazeff and his colleagues may think your silence discourteous, I suggest that you might write to him saying that you have not answered their letters because you understand that the views of His Majesty's Government have already been communicated to the Russian group through the embassy at St. Petersburg.

Yours sincerely,

A. NICOLSON.

[23338]

No. 332.

India Office to Foreign Office.—(Received June 15.)

Sir,

India Office, June 14, 1911.

IN reply to your letter dated the 31st May, 1911, I am directed to say that the Earl of Crewe concurs in the proposal of Secretary Sir E. Grey to approve the instructions given by His Majesty's Minister at Tehran to the British acting consul at Shiraz, to the effect that he should give bast to any Persian subject whom he considered in imminent danger for his life and who had actually reached the consulate, but that he must in no case use his escort to conduct anyone not under British protection to the consulate.

I am, &c.

R. RITCHIE.

[23410]

No. 333.

Sir G. Barclay to Sir Edward Grey.—(Received June 15.)

(No. 214.)

(Telegraphic.) R.

Tehran, June 15, 1911.

TURCO-PERSIAN frontier.

Two delegates on reaching Khoi were informed by Turkish consul that, while they were free to proceed with their escorts to Kotur and Dilman, they must leave them behind at the latter place, as escorts must not pass through Somai and Baradost.

Day after leaving Tabreez delegates reached a village where there was a detachment of twenty Turkish troops.

[22645]

No. 334.

Sir Edward Grey to Sir G. Louther.

(No. 170.)

Sir,

Foreign Office, June 15, 1911.

I HAVE received your Excellency's despatch No. 398 of the 7th instant, relative to objectionable articles which have recently appeared in a newspaper at Bussorah, in one of which a serious charge is made against one of the employés of the Anglo-Persian Oil Company at Abadan.

In view of the considerations set forth by your Excellency, I concur in the opinion that no further steps can usefully be taken in the matter, and I transmit to you herewith copy of a letter which I have caused to be addressed to the company informing them of the fact.

I should, however, be glad to learn whether any enquiry has been made into the specific charge brought against an employé of the company in the article referred to, and, if so, with what result.

I am, &c.

E. GREY.

[22451]

No. 335.

Sir Edward Grey to Sir C. Spring-Rice.

(No. 13.)

Sir,

Foreign Office, June 15, 1911.

I HAVE received your despatch No. 96 of the 6th instant relative to the employment of Swedish officers for the organisation of the Persian gendarmerie.

I have to inform you, in reply, that the point raised by you in the last paragraph of your despatch will not be lost sight of, and that, if His Majesty's Government should decide to insist on the execution of any scheme for the restoration of order on the roads of Southern Persia involving the employment of British officers, timely warning of their resolution will be conveyed to the Swedish Government.

I am, &c.

E. GREY.

[21711]

No. 336.

Foreign Office to Mr. C. Greenway.

(Confidential.)

Sir,

Foreign Office, June 15, 1911.

I AM directed by Secretary Sir Edward Grey to state, for your confidential information, that he has received a despatch from His Majesty's Minister at Tehran, reporting that the representative of the International Oriental Syndicate in that capital intimated to him on the 11th April that he had made to the Persian Government, on behalf of his principals, an offer of a loan of 200,000*l.* on the security of the former's interest in your company.

Sir G. Barclay informed Mr. Osborne that such a transaction would be very distasteful to the company, a remark which appeared to cause that gentleman some surprise.

Sir G. Barclay lost no time in making enquiries on the subject of the Persian Minister for Foreign Affairs. His Excellency stated that he had no knowledge of the offer, but promised that nothing should be concluded without Sir G. Barclay's cognisance.

Sir G. Barclay repeated to his Excellency what he has already told his predecessor, namely, that the company were most anxious that the Persian Government should retain their entire interest in the enterprise, and that, in any case, if there were any idea of pledging this asset for a loan, the company ought to have the first refusal of it.

His Excellency entirely concurred in these observations.

I am, &c.

LOUIS MALLET.

[23456]

No. 337.

Sir C. Greene to Sir Edward Grey.—(Received June 16.)

(No. 46.)

Sir,

Copenhagen, June 14, 1911.

WITH reference to my despatch No. 36 of the 10th ultimo, I have the honour to report that I received a visit on the 8th instant from Admiral Richelieu and Professor Olufsen, who called on me on behalf of the Royal Danish Geographical Society, in order to give me some particulars as to the proposed Danish expedition to the lands bordering on the Persian Gulf.

Admiral Richelieu, in handing me the formal letter of which a copy is enclosed, said that this paper set forth the objects of the expedition, but that he wished to add a few words of further explanation. The expedition was, the admiral said, purely scientific, and not in any way concerned with the acquisition of commercial or material advantages, as had been stated in the press. The idea was to take up the researches of Niebuhr at the point where he had left them, and to follow up the traces of ancient civilisation which he had discovered and recorded in his writings. Equally, the expedition had no political aims, the best proof of this being the fact that the services of Lieutenant Davidsen, who would lead it, had only been lent for this enterprise, while he himself remained on the active list of the Danish army. The expedition would remain away for six months in the first instance, but if success attended its efforts it was probable that a further extension of its activity, say over a period of three years in all, might follow. The results of the researches would be embodied in an English book, which would at once be placed at the disposal of His Majesty's Government. There was no question of employing any Englishmen on the expedition, as had erroneously been stated in the press. On the other hand, having regard to the fact that the country which was to be explored lay in the British sphere of influence, the approval of His Majesty's Government and the assistance of the British local authorities were indispensable. Admiral Richelieu, therefore, begged me to recommend the expedition to the favourable consideration of His Majesty's Government, and asked that an early reply might be returned to his application in order that the necessary preparations might be put in hand as soon as possible.

I have, &c.

CONYNHAM GREENE.

Enclosure in No. 337.

Royal Danish Geographical Society to Sir C. Greene.

Sir,

Copenhagen, June 7, 1911.

THE Royal Danish Geographical Society has, through its committee for sending out geographical expeditions, partly from different institutions and partly by private subscriptions, collected sufficient funds to enable it to send out a scientific expedition to South Arabia, where the Geographical Society considers that useful work can be done by it by continuing the explorations which our countryman Carsten Niebuhr undertook at the end of the 18th century.

We are, however, aware that the country in question is in the sphere of British influence or under British protection, and we venture therefore to ask your Excellency kindly to assist our Geographical Society in obtaining the sanction of the British Government that our little expedition may travel in South Arabia, and we venture to hope that the British Government will give us its moral support and the kind assistance of its residents in South Arabia, which we are sure will be necessary if our expedition shall fulfill our hopes of doing useful work and of continuing in a worthy manner the explorations of Carsten Niebuhr.

It is our intention that the expedition should leave Denmark about the 1st October, 1911. Its members will be lieutenant in the artillery M. P. H. Davidsen and M. Barclay Raunkioer, B.A. The former, who is to be leader of the expedition, is thoroughly acquainted with the Arabic language. The expedition intends to explore the surroundings of Muscat, the region behind this town towards the Great Desert, and those parts of Hadramaut which are adjacent to Oman.

The objects of the expedition are exclusively and strictly scientific—geographical—and will consist in physical, geographical, ethnographic, ethnologic, botanical, and archaeological examinations.

The expedition intends to proceed from Copenhagen to Aden by Danish or English steamer, thence by English steamer to Muscat, the starting-point proper of the expedition. The expedition takes with it from here only a small equipment consisting of instruments and ordinary luggage; all other things necessary will be procured on the spot, where also a sufficient number of people will be hired.

After the return in April or May 1912 the results of expedition will be published by the Royal Danish Geographical Society.

We beg to remain, &c.
(On the part of the Society and its Committee)
ADMIRAL RICHELIEU,
O. OLUFSEN, *Secretary*.

[23512]

No. 338.

Messrs. Ellinger and Co. to Foreign Office.—(Received June 16.)

Sir,

28, Oxford Street, Manchester, June 15, 1911.

WE confirm our letter of the 2nd instant, and now come back upon yours of the 23rd ultimo, relative to the question of the concession for the shipment of red oxide from Hormuz.

We note that Sir Edward Grey has addressed a telegram to His Majesty's Minister at Tehran, instructing him to present to the Persian Government a claim on our behalf and on that of Messrs. Andrew Weir and Co. for losses suffered by both firms in this connection, and that Sir G. Barclay is to inform the Persian Government that at the end of last year Messrs. Andrew Weir and Co.'s claim amounted to 26,053*l.* 12*s.* 10*d.* and our own to 4,041*l.* 18*s.*, and that he is to point out, at the same time, that the contract between the two firms and the Muin-ut-Tujjar will not expire until the 31st March, 1912, so that, till that date is reached, the amount of both claims must increase with every shipment of red oxide made from Hormuz by the agency of any other person or firm, and, further, that the whole amount of the claim must bear interest at the rate of 5 per cent. per annum.

We beg to draw your attention to the fact that the amount of the claims in question was fixed between the Board of Trade and ourselves as at the 1st October, 1910, and not as at the end of the year.

We are also of the opinion that, although the contract between the Muin-ut-Tujjar, Messrs. Andrew Weir and Co., and ourselves would, in the ordinary course, have expired on the 31st March, 1912, shipments subsequent to that date will increase the amount of our damages unless the stock of oxide which we hold has been previously realised, which, under existing circumstances, would seem improbable.

We also take this opportunity of pointing out that it appears to us undesirable that Sir G. Barclay should notify the Persian Government at this stage of the rate at which any claim put forward is to bear interest.

We, however, beg to remind His Majesty's Government that the before-mentioned claims were put in on the footing of the very strong opinion expressed by Sir Edward Grey in the letter from your Office dated the 8th July, 1910, that the Muin-ut-Tujjar's concession would be found to have been invalid at the time when the contract was made between him, Messrs. Andrew Weir and Co., and ourselves, and that, as soon as we had reason to believe that this opinion as to the probable result of the investigation into the title of the Muin-ut-Tujjar to the concession might not prove to be well founded, Mr. M. Ellinger wrote to Mr. Maxwell on the 29th November, 1910, that we should expect not only indemnification for Messrs. Andrew Weir and Co. and ourselves for damages sustained, but also to be re-established in the position as it existed prior to the confiscation of the concession.

Although the action of the Persian Government has rendered this impossible as between the Muin-ut-Tujjar, Messrs. Andrew Weir and Co., and ourselves, we most humbly and respectfully beg to state that the mere presentation of these claims to the Persian Government cannot satisfy our claims on His Majesty's Government for their protection.

The promises of His Majesty's Government's support and protection, under which we and Messrs. Andrew Weir and Co. signed this contract, entitle us to claim at this stage that His Majesty's Government should now notify the Persian Government that further shipments of oxide by others than Messrs. Andrew Weir and Co. must not be permitted, and that they and we shall be indemnified by the Persian Government for

damages sustained by reason of their interference with our respective rights, and that Messrs. Andrew Weir and Co. shall be allowed to take away the remainder of the oxide which they would have received under the contract, and to bring the value of the same as and when realised into account against and in reduction of the claims of 26,053*l.* 12*s.* 10*d.* and 4,041*l.* 18*s.* and interest and any further damages as stated in this letter.

We are, &c.
ELLINGER AND Co.

[23538]

No. 339.

Anglo-Persian Oil Company to Foreign Office.—(Received June 16.)

Winchester House, Old Broad Street, London,
June 15, 1911.

Sir,

I BEG to acknowledge receipt of your letter of the 12th instant advising that Sir George Barclay proposes to instruct Mr. McDouall to proceed to Kasr-i-Shirin and to do all he can to assist Mr. Soane, and I am requested by my board to express their thanks for the assistance which is being given to the company's representative.

I note with regret what Sir George reports regarding the position of Duad Khan, but, notwithstanding his and Kerim Khan's repudiation of the authority of the Persian Government, I am of opinion, from what I gathered in my conversations with the latter, that they would not venture to show any hostility to our representative were it patent to them that he had the full support of the British Government. Therefore I trust that the visit of Mr. McDouall will be productive of some benefit.

I have, &c.
C. GREENWAY,
Managing Director.

[23549]

No. 340.

Mr. Greenway to Foreign Office.—(Received June 16.)

Winchester House, Old Broad Street, London,
June 15, 1911.

Dear Mr. Mallet,

I AM obliged for your letter of the 13th, and note what you write about obtaining an option for constructing a port at Khor Musa. This, I think, is covered by the telegram I purpose sending (copy enclosed), subject to some further discussion to-morrow with Sir Thomas Jackson; who wishes to join the Imperial Bank of Persia in the syndicate.

Meantime, Mr. H. B. Lynch was asked to meet us to discuss the question of transport in Persia, and *à propos* of this I enclose copy of a somewhat amusing letter which may interest you.* This was handed to me by F. C. Strick and Co.

Yours truly,
C. GREENWAY.

Enclosure in No. 340.

Proposed telegram to be dispatched to Mr. Brown (Tehran) by Mr. Greenway.

APPLY in the name Persian Railway Syndicate for concession for three light 2-ft. 6-in. railways, first from the littoral, probably Mohammerah and (or) Khor Musa to Khorehabad, second from Bunder Abbas to Kerman, third from Bunder Abbas to Shiraz, to be constructed in this order according to Persian Government's ability to provide guarantee. Capital would be provided by 5 per cent. bonds at 87½, same as loan, interest being guaranteed by Persian Government, and secured firstly by first charge on railway and receipts, and secondly by any tangible Government present or future revenue available for hypothecation. For this secondly suggest special 4 per cent. increase in southern customs or any other increased tariff. Amount of

* Not printed.

[1798]

3 C

bonds must suffice at net price to cover first, cost of survey; second, cost of construction and equipment, including cost of wharves, jetties, &c., at port; and third, interest and administration expenses during construction. You must stipulate for first, British control, construction, and British management; second, free hand in appointing surveying and constructing engineers and contractors; third, appointment of Lloyd Scott, and Co. as managing agents.

[23584]

No. 341.

Sir G. Barclay to Sir Edward Grey.—(Received June 16.)

(No. 216.)

(Telegraphic.) P.

Tehran, June 16, 1911.

THE budget of the court, which included a reduction in the Regent's own civil list, was voted by the Medjliss on the 6th instant without consultation with his Highness.

Nasr-ul-Mulk was much piqued at not having been consulted in the matter.

I learn now that the Cabinet yesterday made several proposals and asked the Medjliss to reconsider the matter. Deputies, however, rejected practically unanimously all the proposals made.

[23585]

No. 342.

Sir G. Barclay to Sir Edward Grey.—(Received June 16.)

(No. 217.)

(Telegraphic.) P.

Tehran, June 16, 1911.

I HAVE the honour to report that the Sipahdar left the capital suddenly last night for Resht, giving out that he intended to proceed to Europe.

[22645]

No. 343.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, June 16, 1911.

WITH reference to the letter from this Office of the 30th ultimo, relative to objectionable articles which have recently appeared in a newspaper at Bussorah, I am directed by Secretary Sir Edward Grey to inform you that he has received a despatch from His Majesty's Ambassador at Constantinople reporting that the matter had already been brought to his notice by His Majesty's consul at Bussorah, and that, on learning of it, he at once mentioned it to the Turkish Minister for Foreign Affairs, who replied that too much importance need not be attached to the utterances of an irresponsible press. In view of Rifaat Pasha's attitude on the subject Sir G. Lowther thought it unnecessary to press the question further since, he states, it is practically impossible to obtain any satisfaction on such occasions, and an attempt to do so is apt to result in the repetition of the offence in an aggravated form, the fact being that, except in the capital, the Turkish Government have very little control over the press.

Sir G. Lowther instances, in support of his view, a recent case in which representations of his own have remained without effect, another in which the responsible editor of a Salonica newspaper, who had been charged by the Russian consul-general at that port with making a most violent attack against the Russian Government, was acquitted, amidst an outburst of popular applause, and a third, in which the official instructed to proceed against certain journals at Monastir guilty of publishing anti-foreign articles was murdered there in broad daylight in the open street before he could take any action.

In view of these considerations Sir E. Grey has expressed to Sir G. Lowther his concurrence in the opinion that no further steps can usefully be taken in the matter, but has at the same time asked him to report whether any enquiry has been made as to the truth of the specific charge brought, in the second of the two articles in question, against one of your company's employés at Abadan, a point not mentioned in his Excellency's despatch.

I have, &c.

LOUIS MALLET.

[23659]

No. 344.

Consul-General Smith to Sir Edward Grey.—(Received June 17.)

(No. 21.)

Sir,

Odessa, June 13, 1911.

WITH reference to my despatch No. 41 of the 6th October, 1909, I have the honour to report that the ex-Shah of Persia left Odessa with his wives on the 9th instant. He has, I believe, gone to Marienbad for his health.

The ex-Shah left Odessa last November and was absent during the winter, returning about April. He was understood to be at Neran; there is, however, a report that he made an attempt to cross the frontier into Persia in disguise.

I have, &c.

C. S. SMITH.

[23688]

No. 345.

M. Brun to Sir Edward Grey.—(Received June 17.)

Mr. Secretary of State,

Danish Legation, London, June 15, 1911.

THE Royal Danish Geographical Society, an old and well-known institution, having His Majesty the King of Denmark for its high protector and His Royal Highness the Crown Prince for its president, is desirous of sending a small scientific expedition to Oman and Hadramaut (Arabia) in October next.

I enclose a translation into English of a letter dated the 7th instant, by which the society has asked the Danish Minister for Foreign Affairs for his assistance to obtain the necessary facilities, and which also indicates the purpose and composition of the expedition.

The country in question belonging to the sphere of influence of the British Government, I have been directed to ascertain whether His Majesty's Government would have any objection to the sending out of the said expedition, and, if not, to request that you would be so good as to cause the British representatives in the above-mentioned country to be notified of the expedition, and to be invited to receive the same favourably and, if required, to give to the members of the expedition their kind assistance and protection.

In submitting this matter to you, I venture to hope that you will be able to meet the wish of my Government.

I have, &c.

C. BRUN.

Enclosure in No. 345.

Royal Danish Geographical Society to the Ministry of Foreign Affairs.

(Translation.)

THE Royal Danish Geographical Society having decided by its "comité" for geographical expeditions to send a scientific expedition to Oman and Hadramaut in October next, the said "comité" has the honour to ask the Ministry of Foreign Affairs to be good enough to assist the expedition by diplomatic means.

The expedition, according to the plan laid down for it, will have to leave Denmark about the 1st October next, and will be composed of M. M. J. H. Davidsen, lieutenant in the Danish artillery, and M. Barclay Raunkjær, a student of arts. Especially M. Davidsen, the leader of the expedition, is quite well acquainted with the Arabian language. The expedition will return to Denmark in April or May 1912.

The basis of operation will be the land about and back of Muscat towards the great desert, and also the parts of Hadramaut adjacent to Oman, i.e., the South-Eastern Arabia.

The expedition is exclusively scientific geographical, and its object will consist in investigations into these little known or quite unknown districts from a geographical, ethnographic, ethnological, botanical, and archæologic point of view.

The expedition will go from Copenhagen to Aden on board a Danish ship (probably on board a steamer belonging to the Danish East Atlantic line) and on board an English ship from Aden to Muscat, where the operations have to begin.

As the Arabian coast from Aden to Muscat belongs to the sphere of influence of the United Kingdom, the expedition cannot do without a permission from the British Government, and also without obtaining protection from the British representatives in the above-mentioned country. In these circumstances, the "comité" venture to ask the Ministry of Foreign Affairs to obtain the aforesaid assistance for the expedition.

The "comité" has the honour to add that the British interests in South Arabia are placed under the care of a representative at Aden and a representative at Muscat, and that the 55th meridian forms the line of demarcation.

For the Society:

RICHELIEU.

Copenhagen, June 7, 1911.

Q. QLUFSEN, Secretary.

[23730]

No. 346.

India Office to Foreign Office.—(Received June 17.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Earl of Crewe, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 16th June, 1911, regarding the survey of the Firuzabad route.

India Office, June 17, 1911.

Enclosure in No. 346.

Government of India to the Earl of Crewe.

(Telegraphic.) P.

June 16, 1911.

PLEASE refer to your telegram, dated the 4th May, 1911, regarding road via Firuzabad to Shiraz.

Consideration that the Bushire-Shiraz route would be useless for a railway, in the event of our securing Khor Musa-Mohammerah-Shiraz-Bunder Abbas line, largely influenced us in suggesting that question of Firuzabad-Shiraz route should be postponed. Use of this route for a road may, however, become desirable, but we are still of opinion that, pending further development of general question of railways in Persia, it is advisable that decision as to survey should be deferred. Scheme of Mr. Chick, while we recognise certain advantages in it, has drawbacks which have not been realised by him. A metalled road to be used by Renard road trains is proposed by him. In India this form of traction, owing to its cost and injury to roads, has been abandoned after a full trial. It would entail prohibitive cost to make a metalled road in Persia which constant use of train or other type of heavy motor vehicle would not cut up. A preliminary survey by Government official, so that "some sort of assurance from competent authorities that the project is within the range of practical possibilities," may be given to financiers, is also proposed by Mr. Chick. We are afraid that, if report were favourable and scheme proved a failure, this would entail responsibility upon us. We suggest that, should it be decided eventually to proceed with scheme, some competent consulting engineer in London, whose report would not involve Government in responsibility, should undertake survey.

[23703]

No. 347.

Sir G. Barclay to Sir Edward Grey.—(Received June 17.)

(No. 218.)

(Telegraphic.) P.

Tehran, June 17, 1911.

DEPARTURE of the Prime Minister.

In continuation of my telegrams Nos. 216 and 217 of yesterday's date, I have the honour to report that Nasr-ul-Mulk informs me that the Sipahdar's departure was not occasioned by the adverse voting in the Medjliss on the 15th instant. His Highness states that the Sipahdar had for some time past felt that his task had become

impossible in the face of the disunion and intrigues rife in his Cabinet, as well as among those who were supposed to be his supporters in the Medjliss.

Nasr-ul-Mulk is in consultation with the Medjliss with a view to finding a successor to Sipahdar. It does not appear, however, that the latter has expressly resigned his portfolio.

[23713]

No. 348.

Sir G. Barclay to Sir Edward Grey.—(Received June 17.)

(No. 219.)

(Telegraphic.) P

Tehran, June 17, 1911.

DEPARTURE of Sipahdar.

Please refer to my telegram No. 218 of to-day's date.

I have the honour to report that departure of Prime Minister is very generally attributed to his reluctance to accept the vigorous control established over the finances by Mr. Morgan Shuster, in virtue of the extensive powers invested in him by a recent law passed by the Medjliss.

I have sent a copy of this law by last bag, which left Tehran the 16th June.

[23748]

No. 349.

Sir G. Barclay to Sir Edward Grey.—(Received June 18.)

(No. 220.)

(Telegraphic.)

Tehran, June 18, 1911.

MY telegram No. 97 of 28th March.

Following from consul at Mohammerah:—

"Telegram has been received by Committee of Union and Progress at Bussorah from similar committee at Salonica, saying that Germans have obtained from Persian Government piece of land at Abadan alongside of oil company's land. The last time that I heard similar report it was stated that Turks had given the concession, as they claimed Abadan. To be on the safe side, sheikh is enclosing any ground in the vicinity not already under date cultivation."

I hesitate, at this stage, to make enquiries myself of the Persian Government, as enquiries would seem to come more naturally from the sheikh, in view of his rights under his firman of January 1903 (see Bushire despatch to me No. 42 of 26th June last).

If you agree, I will instruct His Majesty's consul to inspire sheikh accordingly.

[23909]

No. 350.

Lord Kilmarlock to Sir Edward Grey.—(Received June 19.)

(No. 103.)

Sir,

Stockholm, June 16, 1911.

WITH reference to Sir C. Spring-Rice's despatch No. 96 of the 6th June, 1911, I have the honour to report that the three Swedish officers designated for the reorganisation of the Persian gendarmerie have now been selected by the Swedish Government. Their names are Captain Hjalmarson, Lieutenant Skjöldebrand, and Lieutenant Petersen. The two former have passed through the staff college.

Captain Hjalmarson is 43 years old, has served on the general staff, on several committees, and has held independent commands.

I learn from the Ministry for Foreign Affairs that the Persian Government are anxious to secure the services of yet another Swedish officer for the police, and that negotiations are proceeding on the matter, though they are not very far advanced.

I have, &c.

KILMARNOCK.

[24028]

No. 351.

Sir G. Barclay to Sir Edward Grey.—(Received June 19.)

(No. 221.)

(Telegraphic.) R.

Tehran, June 19, 1911.

YOUR telegram No. 177.

Kingston leaves Ispahan for Tehran via Sultanabad Hamadan 21st June.

Road is fairly safe, and an escort is promised.

[24141]

No. 352.

*Messrs. Dixon and Co. to Foreign Office.—(Received June 20.)**Whitworth House, Princess Street, Manchester,
June 19, 1911.*

Sir,

MESSRS. ZIEGLER have handed on to us copy of your letter, dated the 6th instant, in reply to our joint letter of the 17th May. We note that, according to telegraphic report, dated the 28th May, from His Majesty's Minister at Tehran, that some improvement has taken place since the beginning of the present year in the condition of the Bushire-Ispahan road.

With regard to the Shiraz-Ispahan section of the road, you inform us that caravans are now passing with a fair amount of freedom. In this connection we beg to send you a copy of a consular report, dated Bushire, the 20th May, from which you will see that caravans are passing from the south, i.e., Shiraz to Ispahan, only one in every two months, and then provided with a strong escort. Our own recent information by cable is to the effect that the road is not open to traffic, and although we have given strict instructions to our house in Bushire to forward goods to Ispahan via Shiraz, they inform us it is not possible to do so owing to the insecurity of the route; and as regards the general state of trade in Southern Persia, we note that there is an increase of 12 per cent. over previous years in the receipts of the southern customs. We presume this increase has relation only to the bad years resulting from the state of anarchy, and not to the normal state of trade previous to the disorders. To show you that we are suffering keenly from the present condition of affairs, we may mention that, owing to our inability to forward goods to Ispahan via Shiraz, we have been compelled to forward goods via Ahwaz, and this route is so congested that goods which reached Ahwaz in December last for immediate dispatch to Ispahan according to advices just to hand from Persia have not yet reached Ispahan. We may further say that we have reduced our Ispahan trade from commitments of about 80,000*l.* to a commitment of about 10,000*l.*, and if the present state of affairs lasts very much longer, we fear we shall have to consider the question of closing up our Ispahan branch altogether.

We are, &c.

H. C. DIXON AND CO.

Enclosure in No. 352.

Consular Report.

FOR their guidance in respect to British goods, the under-mentioned British merchants and agents of British companies in Bushire are informed that, as regards the Shiraz-Ispahan road, the acting British consul telegraphed on the 6th May as follows:—

"Very few caravans, and these with strong escorts, have left as yet by the Ispahan road. I would recommend that large forwardings should not be encouraged yet. I will telegraph as soon as I think there is a reasonable degree of safety."

On the same date the following information was received from Dehbid:—

"Roads both north and south of Dehbid far from safe. Caravans from south

average one every two months, and provided with strong escort. Last one passing here 14th April having an escort of seventy mounted Cossacks and one regiment of soldiers. Last from north, small donkey caravan, unescorted, and robbed 8 miles north of Dehbid on 17th."

*British Consulate-General,
Bushire, May 20, 1911.*

[24178]

No. 353.

Sir G. Barclay to Sir Edward Grey.—(Received June 20.)

(No. 222.)

(Telegraphic.) P.

Tehran, June 20, 1911.

SITUATION in Tehran.

Reference to my telegram No. 218 of the 17th June.

I am informed by Nasr-ul-Mulk that the Prime Minister is at Resht, and that the local Anjuman have refused to allow him to proceed further. His Highness has received a telegram from the Anjuman urging him to summon the Sipahdar to Tehran. Regent has, however, refused to do so. In view of the obstacles which have been placed in Sipahdar's way in Tehran, His Highness states that he cannot advise him in the matter, and must leave him free to act as he chooses.

Nasr-ul-Mulk is very despondent, and states that matters have come to a complete deadlock. The departure of the Prime Minister has dissolved the majority in the Medjliss, which had already been shaken by dissensions between the Sipahdar and his Ministers. In the hope of reconsolidating it Ministers will, I understand, propose to the Medjliss to-morrow that the Sipahdar be retained as nominal Prime Minister, while he is at the same time allowed to proceed on leave to Europe. Nasr-ul-Mulk is doubtful of the efficacy of this expedient, and considers that it has been designed merely to allow the present Ministers to retain their portfolios.

I took the opportunity of communicating your message privately to His Highness, who was very grateful, and again assured me that if he decided to leave the country he would take care that I should receive fair warning of his intention.

[23748]

No. 354.

Sir Edward Grey to Sir G. Barclay.

(No. 183.)

(Telegraphic.) R.

Foreign Office, June 20, 1911.

YOUR telegram No. 220 of 18th June: Reported acquisition of land at Abadan by Germans.

I concur in action proposed.

[23338]

No. 355.

Sir Edward Grey to Sir G. Barclay.

(No. 71.)

Sir,

Foreign Office, June 20, 1911.

WITH reference to your despatch No. 68 of the 8th ultimo, I have to inform you that I approve the instructions issued by you to His Majesty's consul at Shiraz, to the effect that he should give bast to any Persian subject whom he considers in imminent danger of his life and who has actually reached His Majesty's consulate, but that he must in no case use his escort to conduct any person not under British protection to the consulate.

I am, &c.

E. GREY.

[23549]

No. 356.

Foreign Office to India Office.(Secret.)
Sir,*Foreign Office, June 20, 1911.*

I AM directed by Secretary Sir Edward Grey to transmit to you herewith, to be laid before the Earl of Crewe, the draft of a telegram applying on behalf of the Persian Railway Syndicate for a concession from the Persian Government, which has been communicated to this department by Mr. Greenway, of the Anglo-Persian Oil Company.

Lord Crewe will observe that the lines for concession of which Mr. Greenway proposes to apply are substantially those for which His Majesty's Government intended to apply themselves, with the exception that the line from Bushire via Aliabad to a point on the Bunder Abbas-Shiraz-Ahwaz line is omitted and that the Bunder Abbas-Shiraz line is apparently not to be extended to Mohammerah or Ahwaz.

The omission of the line from Bushire via Aliabad to a point on the Bunder Abbas-Shiraz-Ahwaz line is in accordance with the recommendation of the Government of India (see Viceroy's telegram of the 23rd February last) but Sir E. Grey would propose, subject to the concurrence of Lord Crewe, to point out to Mr. Greenway that His Majesty's Government attach importance to the establishment of communication between Bunder Abbas and Mohammerah.

He would further point out to Mr. Greenway that His Majesty's Government cannot pledge themselves to agree to an increase of the southern customs, which would affect British and British Indian trade for the greater part and which would require the consent of other Powers, and he would therefore suggest the omission from the telegram of the mention of the 4 per cent. increase proposed.

I am, &c.

LOUIS MALLET.

[24269]

No. 357.

*Anglo-Persian Oil Company to Foreign Office.—(Received June 21.)**Winchester House, Old Broad Street, London,
June 20, 1911.*

Sir,

WITH reference to your letter of the 12th instant, I am requested by my board to ask whether, in view of the Persian Government's admitted inability to control Kerim Khan and to compel him to allow us to peaceably work the wells at Kasr-i-Shirin in accordance with the terms of our concession, it would be advisable for us to come to some pecuniary arrangement with Kerim Khan, giving notice to the Persian Government that we shall deduct the amount of any consideration that we may have to pay to him from the royalty payable under article 10 of the concession.

Should you consider this the best means of solving the present difficulty I will at once telegraph the necessary instructions to Mr. Soane, and request our agent at Tehran to give the Persian Government notice of the step we are taking.

I have, &c.

C. GREENWAY,

Managing Director.

[24249]

No. 358.

*Anglo-Persian Oil Company to Foreign Office.—(Received June 21.)**Winchester House, Old Broad Street, E.C.,
June 20, 1911.*

Sir,

I BEG to acknowledge receipt of your favour of the 15th instant, advising that the representative of the International Oriental Syndicate has intimated to Sir George Barclay that he has made an offer of a loan of 200,000l. to the Persian Government on the security of their interests in this company, and of the action that Sir George Barclay has kindly taken in this matter on our behalf.

My board desire to express their extreme thanks to Sir George Barclay for the

assistance which he has given, and trust that they may be kept advised of any further steps that may be taken by Mr. Osborne in this connection, as they consider it very essential for the welfare of this company that the Persian Government should not be induced to alienate their interests in any way.

I have, &c.

C. GREENWAY, *Managing Director.*

[24312]

No. 359.

Sir G. Barclay to Sir Edward Grey.—(Received June 21.)

(No. 223.)

(Telegraphic.) P.

Tehran, June 21, 1911.

AFFRAY at Shiraz.

Reference to my telegrams Nos. 207 and 212 of the 10th and 12th June respectively.

Persian Government have replied assuring me that the soldiers who attempted to break into the consulate were not animated by any evil intentions. They at the same time express regret that soldiers should have acted as they did.

I have, on the other hand, received a telegram from His Majesty's acting consul at Shiraz stating that he has been informed by the agent of the Ministry of Foreign Affairs at Shiraz that he has reported to Tehran that in his opinion the four intriguers of which I spoke in my telegram No. 178 of the 17th May, and one of whom holds the office of chief of police, were responsible for the incident, and that a certain non-commissioned officer who has been closely connected with the anti-Kawam faction led the soldiers to the consulate.

Viewed in this light, and if the karguzar's opinion is of any value, incident would seem to have been a deliberate attempt to gain possession of Kawam-ul-Mulk, but the endeavours of the Persian Government in the past to induce Nizam-es-Sultaneh to expel the four men under reference have proved unavailing, and the statement made to Mr. Knox by karguzar may have been merely designed to gain our assistance to this end. In these circumstances, I would propose to disregard it, and to consider the incident closed by the Persian Government's expression of regret.

The fact that some other regiments in Shiraz have since taken refuge in mosques would seem to strengthen the supposition that it was a genuine attempt to take bast in consulate.

[23120]

No. 360.

Foreign Office to India Office.

Sir,

Foreign Office, June 21, 1911.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith, to be laid before the Earl of Crewe, copy of a despatch from His Majesty's chargé d'affaires at St. Petersburg,* enclosing copies of the proposed agreements between the Indo-European Telegraph Company and the Russian and Persian Governments respectively for the working and maintenance of certain lines in Northern Persia.

Sir E. Grey proposes, if Lord Crewe sees no objection to the terms of the two agreements, to instruct Mr. O'Beirne to inform M. Pagenkopf accordingly.

I am, &c.

LOUIS MALLET.

[24312]

No. 361.

Sir Edward Grey to Sir G. Barclay.

(No. 184.)

(Telegraphic.) R.

Foreign Office, June 24, 1911.

YOUR telegram No. 223 of 21st June: Attack on Shiraz consulate.

I approve.

* No. 330.

[1798]

3 E

[24636]

No. 362.

Mr Marling to Sir Edward Grey.—(Received June 26.)

(No. 425.)

Sir,

Constantinople, June 18, 1911.

THE Russian Ambassador called on me on the 15th instant, and told me that for some time he had been endeavouring to obtain the withdrawal of the small Turkish post occupying the guard-house constructed at Boulak Bashi in the course of last year (see my despatch No. 869 of the 29th November, 1910). M. Tcharykow said that in the course of the discussion of the point the Turks had produced fairly conclusive evidence that Boulak Bashi is on Ottoman territory, but that in spite of this they had agreed to evacuate the place, but on the express stipulation that the withdrawal of their troops should be without prejudice to the discussions and conclusions of the contemplated Turco-Persian frontier commission. His Excellency argued from this that the signature of the protocol for the creation of the joint commission, if not actually imminent, may be expected at no very distant period.

In the course of conversation with Rifaat Pasha yesterday I made a casual reference to Persian affairs, and asked when the new Persian Ambassador was expected here. His Excellency said that he hoped that Ihterham-es-Sultaneh would soon arrive, as his presence would expedite the conclusion of the protocol. He added that if the joint commission which is to sit here could not come to an agreement, the points in dispute would be referred to arbitration.

I have, &c.

CHARLES M. MARLING.

[24894]

No. 363.

Sir G. Barclay to Sir Edward Grey.—(Received June 26.)

(No. 225.)

(Telegraphic.) R.

Tehran, June 26, 1911.

YOUR telegram No. 178: Oil company's difficulty at Kasr Shirin.

Wilson will endeavour to settle matter on his way to Bushire.

Situation at Kermanshah too unsettled for His Majesty's consul to leave.

[24518]

No. 364.

Sir Edward Grey to Mr. Marling.

(No. 238.)

(Telegraphic.) R.

Foreign Office, June 26, 1911.

SIR G. BARCLAY'S telegram No. 214 of 15th June: Turco-Persian frontier.

Following joint declaration to the Turkish Government has been agreed upon by His Majesty's Government and the Russian Government:—

"Turkey having on several occasions declared the road from Dilman to Urmia to be open, this road should be considered accessible to the delegates and their escorts. If the Turkish Government, which maintains troops at various points on the road, desires to contribute to the security of the delegates by lending them an escort, the two Governments, basing themselves upon the declaration of the Porte of the 11th May that the composition of the escort shall not in any way affect the ulterior sovereign rights of Turkey and Persia over the localities visited by the delegates, have no objection to a Turkish escort reinforcing the mixed escort of the delegates on the Dilman-Urmia road following the itinerary chosen by the delegates themselves, and to the Turkish Government telegraphing instructions in this sense to the Turkish consul at Khoi."

You should inform the Porte accordingly in conjunction with your Russian colleague, who will receive similar instructions.

(Repeated to Tehran, No. 185.)

[25045]

No. 365.

Sir G. Barclay to Sir Edward Grey.—(Received June 27.)

(No. 226.)

(Telegraphic.) P.

Tehran, June 27, 1911.

ABADAN Island.

Reference to your telegram No. 183 of the 20th June.

His Majesty's consul at Mohammerah telegraphs as follows, No. 35 of the 26th June:—

"I have the honour to report that the Sheikh of Mohammerah has after private enquiry satisfied himself that the rumour is without foundation. He will therefore not approach the Persian Government on the subject."

[25243]

No. 366.

Enclosures in India Office Letter.—(Received at Foreign Office, June 28, 1911.)

(1.)

Lieutenant-Colonel Cox to Government of India.

(Confidential.)

Bushire, May 14, 1911.

I HAVE the honour to forward, for the information of the Government of India, a copy of a communication and enclosure which I have addressed to His Majesty's Minister, Tehran, regarding the railway question at Mohammerah (with reference to the correspondence ending with the Government of India's reply, dated the 14th April, to my telegram of the 7th idem).

(2.)

*Lieutenant-Colonel Cox to Sir G. Barclay.**Bushire, May 14, 1911.*

With reference to the correspondence ending with my telegram, dated the 6th April, I have the honour to forward herewith copy of a note recorded by His Majesty's consul, Mohammerah, on the subject of Sir Khazal Khan's attitude towards the railway question as now presented to him.

On the last occasion on which I touched upon this topic with the sheikh, he had no very clear ideas as to what it might or might not portend for him and left himself in our hands. Since then his ideas have evidently developed somewhat.

I merely send on this note for your Excellency's information. I will address you further should the need arise to make a reference on any of the specific points raised in Captain Haworth's note.

(3.)

Note by His Majesty's Consul, Mohammerah, on Sheikh Khazal's Attitude towards the Railway Question, dated May 2, 1911.

I saw the sheikh yesterday at Idrisieh and had a long talk with him. I do not think that the fact of our asking for a railway concession came to him as a great surprise, railways have been too much in the air recently. He stated, however, that a railway would not be a benefit to him, and said that he did not see how he was going to benefit by the opening up of his country, in fact, he said, the more his country was opened up, especially by a railway, the more accessible he became to the Persian Government and the more they could worry him; with a railway they could easily send a couple of regiments down on the pretext of guarding the frontier but really to curb his power.

Further, he lost monetarily, for his country became much more expensive, and where formerly his guards and sowars wanted a kran they now asked for a toman, but that his receipts were no larger. The customs—his old complaint—increased steadily and he kept his country quiet, but though his responsibilities, and with them his expenses, became greater his own incomings did not increase. In fact, the very fact of his good government became at times a loss to him; the Bakhtiari country was unsettled and badly governed, therefore the Bakhtiari got 3 per cent. on the profits of their oil company working on their lands. I encouraged him to make all the complaints he wished to in order to get at his mind. He also complained that the question of the arms for him had been delayed for two months. I had sent a reminder on this subject. The Minister replied that owing to the Cabinet crisis it had been impossible to get a reply, but the matter would be again raised.

The sheikh accepts the railway as a thing which has got to come, but is most anxious to know what benefit he is going to get out of it, and stated that whatever land might be taken up within his district he might be paid in shares in the railway company and not in cash.

I explained to him that there was no immediate prospect of the project being taken up, but pointed out to him on the general question of the railway that, since the railway was a thing which was likely to come, how much better it was that the option for it should be in our hands, a point to which he readily agreed. He told me that there had been a question of the Persians taking it up for themselves.

Finally, he said that he would very much like to talk the matter over with you with reference to the point that he will get his share of the pickings: the fact that his land will go up enormously in value does not seem to appeal to him, or rather, I should prefer to say, that he does not wish to admit that it appeals to him.

His complaints regarding money matters dovetail badly with the rest of his ambitions, but under present circumstances have, to my mind, a good deal of foundation. He receives, he tells me, only 7,000 toman per annum for a regiment of Baluchis. He would seem to me to have a claim against the Persian Government for an increase of allowances for keeping the country in order. It seems that he might well demand some allowance from the customs dues for the protection which he gives both to the customs-houses and to the roads which pass through his districts, and which convey goods not for his benefit but for the benefit of Tehran, Ispahan, and other parts of Persia, *vide* the reference in the telegram which the Minister of Finance is to send the sheikh with regard to the installation of a Belgian at Nasiri.

[25233]

No. 367.

India Office to Foreign Office.—(Received June 28.)

Sir,

India Office, June 27, 1911.

I AM directed by the Secretary of State for India to transmit herewith, to be laid before the Secretary of State for Foreign Affairs, copy of the marginally noted correspondence regarding the reorganisation of the Indian Political Department.* The question, I am to explain, has been under consideration for several years, and the scheme which the Secretary of State in Council has now sanctioned was submitted by the Government of India, after prolonged discussion, as the best solution they could devise of a complex and difficult problem at the lowest possible cost consistent with the efficiency of the department.

The total strength of the department, which at present consists of 152 officers, will, under the new scheme, be 137. The Government of India point out, in paragraph 15 of their letter of the 1st December, 1910, that certain appointments which it has been decided to abolish, viz., the consulate at Turbat-i-Haidari, the vice-consulate, Seistan, and, eventually, the 2nd assistantship at the Bushire Residency, have hitherto been filled by officers of the Political Department. The abolition of the first and second of these appointments has already been the subject of correspondence, ending with your letter of the 20th January last.

The estimated cost of the entire department as reorganised is about 197,000*l.* a-year, instead of about 189,000*l.* a-year, as heretofore, and, as stated by the Government of India,† the result of the change, which includes the introduction of a time-scale of pay, is to increase the average salary of each officer by some 52*l.* a-year.

* Not printed.

† Paragraph 14 of their letter.

The Earl of Crewe trusts that, in the circumstances explained, Sir E. Grey will take no objection to the slightly increased amounts, of which a moiety will be claimed in due course by this department, in respect of the salaries of officers of the Political Department serving in Persia and the neighbourhood of the Persian Gulf.

I am to add that a reply is still awaited to the Secretary of State's Secret despatch to the Government of India of the 31st March, 1911, on the subject of the proposed substitution of members of the Levant Consular Service for Indian officers serving in Persia and elsewhere.

I am, &c.

R. RITCHIE.

[25107]

No. 368.

Mr. Marling to Sir Edward Grey.—(Received June 28.)

(No. 148.)

(Telegraphic.) P.

Constantinople, June 27, 1911.

TURCO-PERSIAN frontier.

Following refers to your telegram No. 238 of yesterday:—

In consequence of news received by the Russian Ambassador that the delegates have already arrived at Urumia, the text of the proposal communicated would not now apply. An identic communication has now been prepared by his Excellency and myself on the same lines, but modified in accordance with the change of circumstances. The Russian Government has already sent fresh instructions to M. Tcharykow, and the draft of our communication has been drawn up in accordance with the principles contained therein. I venture to request that, as the delegates are leaving Urumia very soon, I may be authorised to send in the communication immediately.

[25107]

No. 369.

Sir Edward Grey to Mr. Marling.

(No. 242.)

(Telegraphic.) R.

Foreign Office, June 28, 1911.

YOUR telegram No. 148 of 27th June: Persian frontier.

You may make the communication.

(Repeated to St. Petersburg, No. 289, and Tehran, No. 187.)

[25270]

No. 370.

Mr. O'Beirne to Sir Edward Grey.—(Received June 29.)

(No. 176.)

Sir,

St. Petersburg, June 25, 1911.

I HAVE the honour to transmit herewith copy of a communication which I have received from the Acting Minister for Foreign Affairs on the subject of the tour of the British and Russian delegates on the Turco-Persian frontier.

I have, &c.

HUGH O'BEIRNE.

Enclosure 1 in No. 370.

M. Nératof to Mr. O'Beirne.

Cher Mr. O'Beirne,

Saint-Petersbourg, le 10 (23) juin, 1911.

JE viens de recevoir de M. Minorsky un télégramme contenant quelques données recueillies par lui pendant les premiers jours de sa tournée avec Mr. Shipley. Comme je crois que le contenu de ce télégramme pourrait vous intéresser, je m'empresse de vous en faire parvenir un abrégé.

[1798]

3 F

Je crois devoir ajouter qu'un télégramme reçu au dernier moment annonce que les deux délégués sont arrivés à Ourmiah accompagnés d'une escorte turque; quant à l'escorte russe et anglaise, elle a rejoint les délégués après avoir longé le bord du lac. Des renseignements plus détaillés me manquent encore.

Votre sincèrement dévoué,
A. NÉRATOF.

Enclosure 2 in No. 370.

Note communicated to Mr. O'Beirne by M. Nératof.

ARRIVES à Kotour le 7 juin, année courante, les délégués russe et anglais ont recueilli les renseignements suivants:—

1. Il n'y a pas de troupes turques dans le village de Kotour. La superficie de l'arrondissement du même nom, dont les limites avaient été fixées en 1873, a considérablement diminué depuis lors par suite d'empiétements turcs sur le territoire persan.

2. Simko, le chef des Kurdes de la tribu Chekkak, est de fait un seigneur indépendant, hostile à l'influence ottomane; il donne asile aux déserteurs turcs. En même temps il est en relations tendues avec les persans, qui ont mis à mort son frère Djaffar Agha. Les cavaliers qui le suivent pillent souvent les villages persans. Le Caïmacan Sadra aurait à plusieurs reprises demandé par écrit la soumission de Simko, qui néanmoins lui donne des réponses négatives.

[25324]

No. 371.

Sir G. Barclay to Sir Edward Grey.—(Received June 29.)

(No. 227.)

(Telegraphic.) R.

Tehran, June 29, 1911.

YOUR telegram No. 238 of 26th June to Constantinople.

Delegates reached Urmia on 25th June. Their British and Russian escorts did not accompany them from Dilman, but proceeded to Urmia by route along lake.

On chance of joint declaration to Porte resulting in some more satisfactory arrangement in regard to escorts, my Russian colleague and I have instructed delegates to wait at Urmia.

[25475]

No. 372.

Mr. O'Beirne to Sir Edward Grey.—(Received June 30.)

(No. 178.)

Sir,

St. Petersburg, June 26, 1911.

I HAVE the honour to report that the "Novoe Vremya" of yesterday's date states, apparently on official authority, that it is proposed in view of the increasing number of cases of pillage and robbery committed by the Shahsevens to entrust to the Russian troops in Persia the conveying of Russian caravans along the road from Ardebil to Tabreez. The general anarchy throughout Persia has brought about a renewal of disorders along the roads and in the villages.

The "Novoe Vremya" adds that the Russian troops at Ardebil consist of two battalions of infantry, three sotnias (companies) of Cossacks with several guns, in all about 800 men. The Tabreez column is somewhat weaker. It is, according to the "Novoe Vremya," proposed that the route between Ardebil and Tabreez be divided into two parts: caravans will be escorted from Tabreez to Surab by a convoy from the Tabreez column and from Surab to Ardebil by a convoy from Ardebil.

I have, &c.

HUGH O'BEIRNE.

[25433]

No. 373.

India Office to Foreign Office.—(Received June 30.)

Sir,

India Office, June 29, 1911.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 20th instant regarding the proposed application by the Persian Railway Syndicate for a concession from the Persian Government.

The Earl of Crewe does not understand that there is any question of His Majesty's Government actively supporting the application, and therefore presumes that the case contemplated in the second paragraph of the British *aide-mémoire* to the Russian Government of the 18th March last does not arise, and that it is not necessary at present to engage in a detailed discussion with that Government.

As regards the terms of the draft telegram, Lord Crewe observes that the proposed railways are to be light railways of 2 ft. 6 in. gauge. The question of gauge is of importance, especially on the Bunder Abbas-Kerman line, which will be a valuable adjunct, strategically and commercially, of the Trans-Persian Railway, should that railway ever be constructed. It is for consideration whether it should not be stipulated that provision should be made in the construction of this line for the eventual widening of the gauge.

Lord Crewe entirely agrees with Sir E. Grey as to the importance of securing at all events the possibility of communication between Bunder Abbas and Mohammerah, since the existence of a line from the former place ending at Shiraz might be an inducement to the Bagdad Railway to extend in that direction. He therefore considers that the concession should be applied for, even though the line may not be immediately constructed.

His Lordship further shares Sir E. Grey's objection to the proposed 4 per cent. increase in the southern customs, but rather because it gives other Powers a *locus standi* for creating difficulties than on the ground of any injustice to British or Indian trade. It might be left to the ingenuity of the American advisers of the Persian Government to suggest an alternative.

As regards the Bushire-Aliabad-Shiraz line, Lord Crewe, without at present committing himself to the opinion that it would be useless, sees no objection to its being excluded from the proposed application.

I am, &c.

R. RITCHIE.

[25493]

No. 374.

Mr. Marling to Sir Edward Grey.—(Received June 30.)

(No. 149.)

(Telegraphic.) R.

Therapia, June 30, 1911.

PERSIAN frontier.

Your telegram No. 242: Delegates' escorts.

Identical communication made yesterday.